

ORIGINAL  
OPEN MEETING



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MEMORANDUM RECEIVED

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TO: THE COMMISSION

AZ CORP COMMISSION  
DOCUMENT CONTROL

FROM: Utilities Division

DATE: October 6, 2005

RE: IN THE MATTER OF THE JOINT APPLICATION OF MCIMETRO ACCESS TRANSMISSION SERVICES, L.L.C. AND INTERMEDIA COMMUNICATIONS, INC. FOR APPROVAL OF REORGANIZATION, TRANSFER OF CERTAIN ASSETS, AND CANCELLATION OF INTERMEDIA COMMUNICATIONS, INC.'S CERTIFICATES OF CONVENIENCE AND NECESSITY FOR LOCAL EXCHANGE AND INTEREXCHANGE TELECOMMUNICATIONS SERVICES (DOCKET NOS. T-03574A-05-0038 AND T-03291A-05-0038)

A Staff Report was filed in this matter on September 29, 2005. Attached is a proposed Order, prepared by Staff, that incorporates the recommendations set forth in the Staff's previously filed Report.

*for*   
Ernest G. Johnson  
Director  
Utilities Division

EGJ:AJL:WMS:lhmvjw

ORIGINATOR: Wilfred Shand, Jr.

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

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

IN THE MATTER OF THE JOINT )  
APPLICATION OF MCIMETRO ACCESS )  
TRANSMISSION SERVICES, L.L.C. AND )  
INTERMEDIA COMMUNICATIONS, INC. )  
FOR APPROVAL OF REORGANIZATION, )  
TRANSFER OF CERTAIN ASSETS, AND )  
CANCELLATION OF INTERMEDIA )  
COMMUNICATIONS, INC.'S )  
CERTIFICATES OF CONVENIENCE AND )  
NECESSITY FOR LOCAL EXCHANGE )  
AND INTEREXCHANGE )  
TELECOMMUNICATIONS SERVICES )

DOCKET NO. T-03574A-05-0038  
T-03291A-05-0038  
  
DECISION NO. \_\_\_\_\_  
ORDER

Open Meeting  
October 18 and 19, 2005  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On January 19, 2005, MCImetro Access Transmission Services, LLC ("MCImetro") and Intermedia Communications, Inc. ("Intermedia") filed with the Arizona Corporation Commission ("Commission") an application for approval of the merger and transfer of assets between the two companies. This application also requested cancellation of Intermedia's Certificate of Convenience and Necessity ("CC&N") to provide telecommunications service in the State of Arizona.
2. On January 16, 1997, the Commission in Decision No. 59983 granted MCImetro Access Transmission Services, Inc. a CC&N to provide local exchange and intraLATA private line

1 service in the State of Arizona. On July 7, 1998, in Decision No. 61014, the Commission  
2 approved the merger of MCImetro Access Transmission Services, Inc. with and into MCImetro.  
3 Through this merger, MCImetro was granted the authority to provide both resold and facilities-  
4 based local exchange service.

5 3. On April 21, 1999, the Commission, in Decision No. 61665, originally granted a  
6 CC&N to Intermedia to provide resold and facilities based local exchange services in the State of  
7 Arizona. On February 1, 2000, the Commission, in Decision No. 62278 approved Intermedia's  
8 application to additionally provide resold interexchange service in the State of Arizona.

9 4. On January 19, 2005, Intermedia submitted an application requesting Commission  
10 approval to transfer certain local exchange telecommunications assets, including its local exchange  
11 telecommunications switch, to MCImetro. Pursuant to A. R. S. Section 40-285, the Commission  
12 has jurisdiction over this matter. Although it was not requested, Staff believes the Commission's  
13 Slamming and Cramming rules should be waived in this matter. Staff believes these rules should  
14 be waived because Intermedia stated that it does not have any customers in Arizona.

15 5. Intermedia indicated that it does not have any Arizona customers and that it is no  
16 longer providing resold interexchange or resold or facilities-based local exchange  
17 telecommunications services in Arizona.

18 6. Consumer Services Staff has indicated that there are no open complaints, inquiries  
19 or opinions concerning Intermedia. Intermedia informed Staff that customer deposits and/or  
20 prepayments were never collected. Consequently, there is no risk that an advance, deposit and/or  
21 prepayment of funds from Arizona customers would be lost by canceling Intermedia's CC&N.

22 7. Intermedia has advised Staff that it no longer serves any customers in Arizona and  
23 that as of September 2002, all of its customers were migrated to other Commission authorized  
24 telecommunications providers. On February 11, 2005, Intermedia provided the Commission with  
25 an affidavit of publication indicating that it has published notification of its request to cancel its  
26 CC&N in the county where service was provided. Staff believes Intermedia has submitted  
27 information that meets the obligations of the rules related to the discontinuance of local service  
28 described in A.A.C. R14-2-1107.

1 8. Since there are numerous other carriers offering similar services, Staff believes  
2 granting this application for cancellation of Intermedia's CC&N is in the public interest.

3 9. Upon cancellation of its CC&N, Intermedia will no longer be authorized to provide  
4 competitive intrastate telecommunications service as a provider of resold interexchange service or  
5 as a provider of resold or facilities-based local exchange service in the State of Arizona.  
6 Therefore, Intermedia will no longer be subject to the requirements of Decision Nos. 61665 or  
7 62278.

8 10. Because Intermedia did not collect deposits and is no longer providing  
9 telecommunications service in Arizona, Staff has recommended approval of Intermedia's request  
10 to cancel its performance bond.

11 11. Staff has recommended the approval of Intermedia's request to transfer its local  
12 telecommunications service assets to MCImetro.

13 12. Staff has recommended the cancellation of Intermedia's CC&N.

14 CONCLUSIONS OF LAW

15 1. MCImetro and Intermedia are Arizona public service corporations within the  
16 meaning of Article XV, Section 2 of the Arizona Constitution.

17 2. The Commission has jurisdiction over MCImetro and Intermedia and over the subject  
18 matter of the Application.

19 3. Approval of Intermedia's request to transfer its local telecommunications service  
20 assets to MCImetro, cancellation of Intermedia's CC&N and cancellation of Intermedia's  
21 performance bond is in the public interest.

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ORDER

IT IS THEREFORE ORDERED that Intermedia's requests to transfer its local telecommunications service assets to MCImetro, to cancel Intermedia's CC&N and to cancel Intermedia's performance bond be and hereby are approved.

IT IS FURTHER ORDERED this Decision shall become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

\_\_\_\_\_  
BRIAN C. McNEIL  
Executive Director

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

EGJ:AJL:WMS:lhmVJW

1 SERVICE LIST FOR: MCImetro Access Transmission Services, L.L.C. and Intermedia  
Communications, Inc.

2 DOCKET NOS. T-03574A-05-0038 and T-03291A-05-0038

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