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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

JIM IRVIN
COMMISSIONER - CHAIRMAN
TONY WEST
COMMISSIONER
CARL J. KUNASEK
COMMISSIONER

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IN THE MATTER OF THE APPLICATION OF
NYNEX LONG DISTANCE COMPANY FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE COMPETITIVE
RESOLD TELECOMMUNICATIONS SERVICES
EXCEPT LOCAL EXCHANGE SERVICES.

DOCKET NO. T-03198A-96-0325

DECISION NO. 61603

ORDER

Open Meeting
March 30 and 31, 1999
Phoenix, Arizona

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

FINDINGS OF FACT

1. On June 4, 1998, NYNEX Long Distance Company dba Bell Atlantic Long Distance. ("Applicant") filed with the Commission an application for a Certificate of Convenience and Necessity ("Certificate") to provide competitive resold intrastate toll telecommunications services in Arizona.
2. In Decision No. 58926 (December 22, 1994), the Commission found that resold telecommunications providers ("resellers") were public service corporations subject to the jurisdiction of the Commission.
3. In Decision No. 59124 (June 23, 1995), the Commission adopted A.A.C. R14-2-1101 through R14-2-1115 to regulate resellers.
4. Applicant was incorporated as an Arizona corporation in 1996.
5. Applicant is a switchless reseller and plans to utilize Sprint Communications Co., L.P. as the primary underlying carrier as well as other, as yet undetermined, carriers certified to

provide service in Arizona.

1 6. On December 18, 1998, the Commission's Utilities Division Staff ("Staff") file
2 Staff Report. Staff amended its Staff Report on January 25, 1999.

3 7. In the amended Staff Report, Staff stated that Applicant had provided financial
4 statements for its parent company, Bell Atlantic, for the year ending December 31, 1997, which
5 showed income of \$2.45 billion, and stockholders equity of \$12.78 billion.

6 8. The Staff Report stated that Applicant has no market power and the reasonableness
7 of its rates would be evaluated in a market with numerous competitors.

8 9. Staff recommended that :

9 (a) Applicant's application for a Certificate should be approved without a hearing
10 subject to A.A.C. R14-2-1106.B;

11 (b) Applicant's intrastate toll service offerings should be classified as competitive
12 pursuant to A.A.C. R14-2-1108;

13 (c) Applicant's competitive services should be priced at the effective rates set
14 forth in Applicant's tariffs and the maximum rates for these services should be "
15 maximum rates proposed by Applicant in its tariffs. The minimum rates
16 applicant's competitive services should be Applicant's long run incremental costs of
17 providing those services as set forth in A.A.C. R14-2-1109; and

18 (d) Applicant should be required to comply with the Commission's rules and
19 modify its tariffs to conform with the rules if it is determined there is a conflict
20 between Applicant's tariffs and the Commission's rules.

21 10. By Procedural Order dated January 12, 1999, the Commission set a deadline of
22 February 19, 1999, for filing exceptions to the Staff Report; requesting that a hearing be set; or
23 requesting intervention as interested parties.

24 11. No exceptions were filed to the Staff Report, nor did any party request that a hearing
25 be set.

CONCLUSIONS OF LAW

26 1. Applicant is a public service corporation within the meaning of Article XV of the
27 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

28 2. The Commission has jurisdiction over Applicant and the subject matter of . . .

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application.

3. Notice of the application was given in accordance with the law.

4. Applicant's provision of resold intrastate toll services is in the public interest.

5. Applicant is a fit and proper entity to receive a Certificate for providing competitive intrastate toll services as a reseller in Arizona.

6. Staff's recommendations in Findings of Fact No. 9 are reasonable and should be adopted.

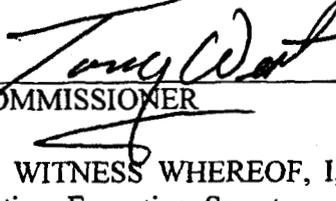
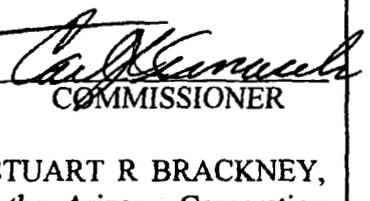
ORDER

IT IS THEREFORE ORDERED that the Application of NYNEX Long Distance Company dba Bell Atlantic Long Distance for a Certificate of Convenience and Necessity for authority to provide competitive intrastate toll services shall be, and the same is hereby granted.

IT IS FURTHER ORDERED that NYNEX Long Distance Company dba Bell Atlantic Long Distance shall comply with the Staff recommendations set forth in Findings of Fact No. 9.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

		
COMMISSIONER-CHAIRMAN	COMMISSIONER	COMMISSIONER

IN WITNESS WHEREOF, I, STUART R BRACKNEY, Acting Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 1 day of April 1999.


STUART R. BRACKNEY
ACTING EXECUTIVE SECRETARY

DISSENT _____
JR:bbs

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SERVICE LIST FOR:

NYNEX LONG DISTANCE COMPANY

DOCKET NO.

T-03198A-96-0325

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