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MEMORANDUM

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2002 JAN 29 P 4: 35

AZ CORP COMMISSION
DOCUMENT CONTROL

TO: Docket Control
Arizona Corporation Commission

THRU Matt Rowell
Chief *MR*
Economics and Research

FROM: Ernest G. Johnson *AD/For*
Director
Utilities Division

DATE: January 29, 2002

RE: **COMPLIANCE TO DECISION NO. 63991** - REQUEST FOR
EXTENSION OF TIME. (DOCKET NO. T-03984A-01-0070)

On November 1, 2001, Snip Link, LLC ("Snip") submitted correspondence requesting an extension of time to comply with conditions in the decision granting Snip authority to provide resold interexchange telecommunications services (Decision No. 63991). Snip's CC&N was conditioned on the Company to notify the Compliance Section of the Utilities Division of the date that the Company will begin or has begun providing service to Arizona customers. Snip also was required to file its tariffs within 30 days of the date of the Decision. Snip did not comply and its CC&N is void. Therefore, Snip requires additional time to comply with the Decision. Staff recommends that Snip be granted an extension of 45 days to comply with the order. In addition, Staff recommends that no further extensions of time for compliance be granted.

Originator: Anthony Gatto

Enc.

Arizona Corporation Commission

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JAN 29 2002

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Service List for: Snip Link, LLC
Docket No. (T-03984A-01-0070)

Michael Engel
Kelley Drye & Warren LLP
Suite 500
1200 19th Street N.W.
Washington, D.C. 20036

Mr. Christopher C. Kempley
Chief, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Mr. Ernest G. Johnson
Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Ms. Lyn Farmer
Director, Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Gatto



ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION
1200 W. WASHINGTON STREET
PHOENIX, AZ 85007

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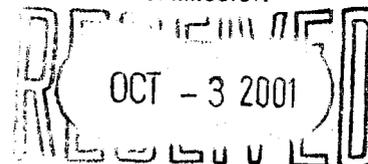
Letter of Non-Compliance

AZ CORP COMMISSION
DOCUMENT CONTROL

October 03, 2001

Mr. Joseph Polito, Jr.
SNiP Link, LLC
100-A Twinbridge Drive
Pennsauken, New Jersey 08110

ARIZONA CORPORATION
COMMISSION



RE: DOCKET NO. T-03984A-01-0070 DECISION NO. 63991

Director of Utilities

Dear Mr. Polito:

This notice will inform you that SNiP Link, LLC has not met certain compliance requirements ordered by the Commission in the above-referenced Decision. In that Decision, the Commission conditioned approval of the application on SNiP Link, LLC filing certain documents with the Commission within a specific time period as described on the attached Compliance Delinquencies Report.

As a result of this non-compliance, the Certificate of Convenience and Necessity did not issue to SNiP Link, LLC and is void. If SNiP Link, LLC intends to provide service in the future within Arizona, it must either file a new application for a certificate of convenience and necessity or obtain an extension of time to comply from the Commission. If you are requesting an extension of time to comply, your request must be received by the Commission no later than thirty (30) days from the date of this notice. Your request should set forth the reasons why you did not comply with the Commission's Decision and why you should be granted an extension. The Commission will consider your request and issue an Order either granting or denying your request for extension. Address your request for an extension of time to comply to: Docket Control, Arizona Corporation Commission, 1200 West Washington Street, Phoenix, Arizona 85007. Reference in your request the Docket Number and Decision Number for this matter.

If you believe this to be in error, or, if I can answer any questions, please contact me at 602-542-0818.

Sincerely,

Patrick C. Williams
Manager, Compliance and Enforcement
Utilities Division

cc: Docket Control, with eleven copies

Compliance Delinquencies Report

Report Date: October 03, 2001

COMPANY: SNiP Link, LLC
DOCKET NO. T-03984A-01-0070
DECISION NO. 63991
DECISION DATE: 08/30/2001

COMPLIANCE ACTION: Certificate conditioned on Company, within 30 days of the effective date of the Commission's Decision, notifying the Compliance Section of the Utilities Division of the date it will begin or has begun providing service to Arizona customers.

COMPLIANCE DUE DATE: 10/01/2001

COMPLIANCE ACTION: Certificate subject to the Company filing tariffs in accordance with the Commission's Decision within 30 days of this Order or within 30 days of an Order approving its interconnection agreement, whichever is later.

COMPLIANCE DUE DATE: 10/01/2001

KELLEY DRYE & WARREN LLP

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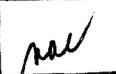
MUMBAI, INDIA

TOKYO, JAPAN

Arizona Corporation Commission

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October 30, 2001

VIA FEDERAL EXPRESS

Michael P. Kearns, Director/Deputy Executive Secretary

ATTENTION: Docket Control

Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Re: Application of SNiP Link, LLC to Provide Competitive Resold Interexchange Telecommunications Services; Docket No. T-03984A-01-0070, Decision No. 63991

Dear Mr. Kearns:

Enclosed for filing on behalf of SNiP Link, LLC ("SNiP") are an original and ten (10) copies, including a Docket Control Cover Sheet, of this request for an extension of time to comply with the Commission's above referenced Decision. Also enclosed is a duplicate copy of this filing. Please date-stamp the duplicate copy and return it to the undersigned counsel, in the self-addressed, postage paid envelope provided.

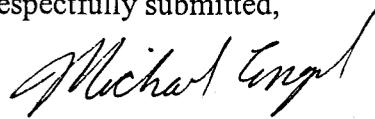
On August 30, 2001, the Commission conditionally approved SNiP's application for a Certificate of Convenience and Necessity to provide competitive resold interexchange telecommunications services, except local telecommunications services, within the State of Arizona. The Commission's approval was conditioned upon SNiP filing, within thirty (30) days of the date of the Decision, both an interexchange tariff and a notification with the Compliance Section of the date that SNiP will begin or has begun providing service to Arizona customers.

This Decision, however, was not served upon counsel for SNiP and, accordingly, the requested filings were not made. A copy of this Decision and the accompanying service list demonstrating that counsel was not served is attached to this request as *Exhibit A*. Counsel for SNiP had previously been the sole contact for communications with Commission staff, including receiving the date-stamped application and discussing and filing the affidavit of Public Notice.

Additionally, counsel for SNiP had notified the Commission that counsel would be the contact person for the application. A copy of the Docket Control Sheet and relevant application page setting out this notification is attached as *Exhibit B*.

Therefore, despite SNiP's request and expectation that counsel would be served copies of all relevant communications in order to properly respond to any requests, and because counsel for SNiP was not served a copy of the above Decision, SNiP respectfully requests that it be allowed an extension of time to file both its tariff and the notification with the Compliance Section. No party will be prejudiced by such an extension and SNiP will promptly file the required documents upon the granting of an extension. Additionally, SNiP requests that copies of all future communications to SNiP be forwarded to the undersigned counsel. Thank you for your consideration and if you have any questions regarding this filing, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in cursive script that reads "Michael Engel".

Michael Engel
Counsel to SNiP Link, LLC

Enclosures

Exhibit A

Arizona Corporation Commission
BEFORE THE ARIZONA CORPORATION COMMISSION
DOCKETED

1
2 WILLIAM A. MUNDELL
CHAIRMAN
3 JIM IRVIN
COMMISSIONER
4 MARC SPITZER
COMMISSIONER
5

AUG 30 2001

DOCKETED BY

JL

6 IN THE MATTER OF THE APPLICATION OF
7 SNIP LINK, LLC FOR A CERTIFICATE OF
8 CONVENIENCE AND NECESSITY TO PROVIDE
COMPETITIVE RESOLD INTRASTATE
TELECOMMUNICATIONS SERVICES, EXCEPT
LOCAL EXCHANGE SERVICE

DOCKET NO. T-03984A-01-0070

DECISION NO. 63991

ORDER

9 Open Meeting
10 August 28 and 29, 2001 -
Phoenix, Arizona

11 BY THE COMMISSION:

12 Having considered the entire record herein and being fully advised in the premises, the
13 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

14 FINDINGS OF FACT

15 1. On January 22, 2001, SNiP Link, LLC ("SNiP Link" or "Applicant") filed with the
16 Commission an application for a Certificate of Convenience and Necessity ("Certificate") to provide
17 competitive resold interexchange telecommunications services, except local exchange services,
18 within the State of Arizona.

19 2. In Decision No. 58926 (December 22, 1994), the Commission found that resold
20 telecommunications providers ("resellers") were public service corporations subject to the
21 jurisdiction of the Commission.

22 3. Applicant is a limited liability corporation domiciled in New Jersey, authorized to do
23 business in Arizona since June of 2000.

24 4. Applicant is a switchless reseller, which purchases telecommunications services from
25 a variety of carriers.

26 5. On February 9, 2001, Applicant filed Affidavits of Publication indicating compliance
27 with the Commission's notice requirements.
28

1 6. On February 16, 2001, the Commission's Utilities Division Staff ("Staff") filed its
2 Staff Report recommending approval of the application with some conditions.

3 7. In its Staff Report, Staff stated that SNiP Link provided financial statements for the
4 period ended February 29, 2000. These financial statements list assets of \$1.7 million, negative total
5 equity of (\$429,967), and a net loss of (\$49,097). Based on the foregoing, Staff believes that
6 Applicant lacks adequate financial resources to be allowed to charge customers any prepayments,
7 advances, or deposits without either establishing an escrow account or posting a surety bond to cover
8 such prepayments, advances, or deposits.

9 8. The Staff Report indicates that SNiP Link does not charge its customers for any
10 prepayments, advances or deposits. If at some future date, the Applicant wants to charge customers
11 any prepayments, advances or deposits, it must file information with the Commission that
12 demonstrates the Applicant's financial viability. Upon receipt of such filing, Staff will review the
13 information and the Commission will make a determination concerning the Applicant's financial
14 viability and whether customer prepayments, advances or deposits should be allowed. Additionally,
15 Staff believes that if the Applicant experiences financial difficulty, there should be minimal impact to
16 its customers. Customers are able to dial another reseller or facilities-based provider to switch to
17 another company.

18 9. Staff recommended approval of the application subject to the following conditions,
19 that:

20 (a) The Applicant should be ordered to comply with all Commission rules, orders,
21 and other requirements relevant to the provision of intrastate telecommunications
22 service;

23 (b) The Applicant should be ordered to maintain its accounts and records as
24 required by the Commission;

25 (c) The Applicant should be ordered to file with the Commission all financial and
26 other reports that the Commission may require, and in a form and at such times as the
27 Commission may designate;

28 (d) The Applicant should be ordered to maintain on file with the Commission all
current tariffs and rates, and any service standards that the Commission may require:

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- (e) The Applicant should be ordered to comply with the Commission's rules and modify its tariffs to conform to these rules if it is determined that there is a conflict between the Applicant's tariffs and the Commission's rules;
- (f) The Applicant should be ordered to cooperate with Commission investigations of customers complaints;
- (g) The Applicant should be ordered to participate in and contribute to a universal service fund, as required by the Commission;
- (h) The Applicant file its tariffs within 30 days of an Order in this matter, and in accordance with the Decision;
- (i) The Applicant should be ordered to notify the Commission immediately upon changes to the Applicant's address or telephone number;
- (j) The Applicant's intrastate interexchange service offerings should be classified as competitive;
- (k) 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. 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.
 2. The total actual operating expenses for the first twelve months of telecommunications service provided to Arizona customers by the Applicant following certification.
 3. The value of all assets, listed by major category, used for the first twelve months of telecommunications service provided to Arizona customers by the Applicant following certification. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.
- (l) The Applicant's competitive services should be priced at the rates proposed by the Applicant in its most recently filed tariffs. The maximum rates for these services should be the maximum rates proposed by the Applicant in its proposed tariffs. The minimum rates for the Applicant's competitive services should be the Applicant's total service long run incremental costs of providing those services; and

1 (m) In the event that the Applicant states only one rate in its proposed tariff for a
2 competitive service, the rate stated should be the effective (actual) price to be charged
3 for the service as well as the service's maximum rate.

4 10. The Staff Report also stated that Applicant has no market power and the
5 reasonableness of its rates would be evaluated in a market with numerous competitors.

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

8 12. On August 29, 2000, the Arizona Court issued its Opinion in US WEST
9 Communications, Inc. v. Arizona Corporation Commission, 1 CA-CV 98-0672, holding that "the
10 Arizona Constitution requires the Commission to determine fair value rate bases for all public service
11 corporations in Arizona prior to setting their rates and charges."

12 13. On October 26, 2000, the Commission filed a Petition for Review to the Supreme
13 Court.

14 14. On February 16, 2001, the Commission's Petition was granted.

15 CONCLUSIONS OF LAW

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

18 2. The Commission has jurisdiction over Applicant and the subject matter of the
19 application.

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

21 4. Applicant's provision of resold interexchange telecommunications services is in the
22 public interest.

23 5. Applicant is a fit and proper entity to receive a Certificate for providing competitive
24 resold interexchange telecommunications services in Arizona.

25 6. Staff's recommendations in Findings of Fact No. 8 and 9 are reasonable and should be
26 adopted.

27 ORDER

28 IT IS THEREFORE ORDERED that the application of SNiP Link, LLC for a Certificate of

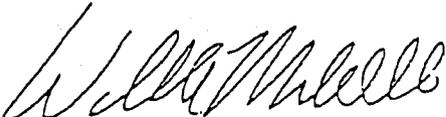
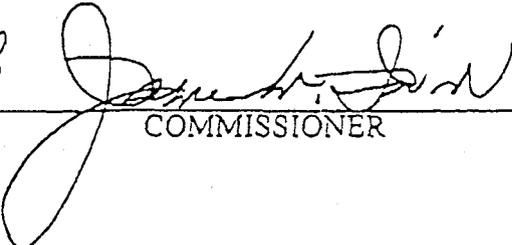
1 Convenience and Necessity for authority to provide competitive resold interexchange
2 telecommunications services, except local exchange services, is hereby granted, as conditioned
3 herein, except SNiP Link, LLC shall not be authorized to charge customers any prepayments,
4 advances, or deposits. In the future, if SNiP Link, LLC desires to initiate such charges, it must file
5 information with the Commission that demonstrates SNiP Link, LLC's financial viability. Staff shall
6 review the information provided and file its recommendation concerning the Applicant's financial
7 viability and/or the necessity of obtaining a surety bond within thirty (30) days of receipt of the
8 financial information, for Commission approval.

9 IT IS FURTHER ORDERED that SNiP Link, LLC shall comply with Staff's
10 recommendations as set forth in Findings of Fact No. 8 and 9.

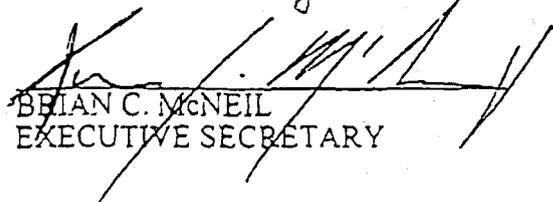
11 IT IS FURTHER ORDERED that within 30 days of the effective date of this Decision, SNiP
12 Link, LLC shall notify the Compliance Section of the Arizona Corporation Commission of the date
13 that it will begin or has begun providing service to Arizona customers.

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

15 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

16 
17 
18 CHAIRMAN COMMISSIONER COMMISSIONER
19

20 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
21 Secretary of the Arizona Corporation Commission, have
22 hereunto set my hand and caused the official seal of the
23 Commission to be affixed at the Capitol, in the City of Phoenix,
24 this 30th day of August, 2001.

25 
26 BRIAN C. McNEIL
27 EXECUTIVE SECRETARY

28 DISSENT _____
PD:mlj

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SERVICE LIST FOR: SNIP LINK, LLC
DOCKET NO.: T-03948A-01-0070

Joseph Polito, Jr.
SNIP LINK, LLC
100-A Twinbridge Drive
Pennsauken, New Jersey 08110

Christopher Kempley, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Deborah Scott, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Exhibit B

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL CENTER

CASE/COMPANY NAME:

DOCKET NO.

SNIP Link, LLC

D/B/A or RESPONDENT:

NATURE OF ACTION OR DESCRIPTION OF DOCUMENT

Please mark the item that describes the nature of the case/filing:

01 UTILITIES - NEW APPLICATIONS

- NEW CC&N
- RATES
- INTERIM RATES
- CANCELLATION OF CC&N
- DELETION OF CC&N (TERRITORY)
- EXTENSION OF CC&N (TERRITORY)
- TARIFF - NEW (NEXT OPEN MEETING) REQUEST FOR ARBITRATION (Telecommunication Act)
- FULLY OR PARTIALLY ARBITRATED INTERCONNECTION AGREEMENT (Telecom. Act.)
- VOLUNTARY INTERCONNECTION AGREEMENT (Telecom. Act)

- MAIN EXTENSION
- CONTRACT/AGREEMENTS
- COMPLAINT (Formal)
- RULE VARIANCE/WAIVER REQUEST
- SITING COMMITTEE CASE
- SMALL WATER COMPANY -SURCHARGE (Senate Bill 1252)
- SALE OF ASSETS & TRANSFER OF OWNERSHIP
- SALE OF ASSETS & CANCELLATION OF CC&N
- FUEL ADJUSTER/PGA
- MERGER
- FINANCING
- MISCELLANEOUS

Specify

02 UTILITIES - REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS

APPLICATION COMPANY DOCKET NO.

TARIFF
 PROMOTIONAL
DECISION NO.
DOCKET NO.
 COMPLIANCE
DECISION NO.
DOCKET NO.

SECURITIES or MISCELLANEOUS FILINGS

- 04 AFFIDAVIT
- 12 EXCEPTIONS
- 18 REQUEST FOR INTERVENTION
- 48 REQUEST FOR HEARING
- 24 OPPOSITION
- 50 COMPLIANCE ITEM FOR APPROVAL
- 32 TESTIMONY
- 47 COMMENTS

- 29 STIPULATION
- 38 NOTICE OF INTENT (Only notification of future action/no action necessary)
- 43 PETITION
- 46 NOTICE OF LIMITED APPEARANCE
- 39 OTHER

Specify

Date

SNIP Link, LLC

Print Name of Applicant/Company/Contact person/Respondent/Atty.
Contact: Michael Engel, Esq. (202)955-9600 (*Admitted in New York only.)
Phone

PLEASE SEE NOTICE ON REVERSE SIDE

(A-4) The name, address, and telephone of the attorney, if any, representing the applicant:

Michael Engel*
KELLEY DRYE & WARREN LLP
1200 Nineteenth Street, N.W., Suite 500, Washington, D.C. 20036
Phone: 202-955-9600

*Admitted in New York only.

(A-5) What type of legal entity is the applicant?

- Sole proprietorship
 Partnership: limited, general, Arizona, Foreign
 Limited liability company
 Corporation: "S", "C", non-profit, Arizona, Foreign
 Other, specify

(A-6) Include "Attachment A." Attachment A must list names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership.

- (A-7) 1. Is your company currently reselling telecommunications service in Arizona? If yes, provide the date or the approximate date that you began reselling service in Arizona. No.
2. If the answer to 1. is "yes", identify the types of telecommunications services you resell; whether operator services are provided or resold and whether they are provided or resold to traffic aggregators (as defined in A.A.C. Rule R14-2-1001(3), a copy of which is attached); the number of customers in Arizona for each type of service; and the total number of intrastate minutes resold in the latest 12 month period for which data are available. Note: The Commission rules require that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators. Not Applicable.
3. If the answer to 1. is "no", when does your company plan to begin reselling service in Arizona?
- SNiP Link, LLC seeks to provide intrastate telecommunications services as an interexchange reseller upon grant of this application.**

(A-8) Include "Attachment B." Attachment B, your proposed tariff, must include proposed rates and charges for each service to be provided, state the tariff (maximum) rate as well as the price to be charged, and state other terms and conditions, including deposits, that will apply to provision of the service(s) by your company.

The Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the tariff (maximum) rates. The prices to be charged by the company are filed with the Commission in the form of price lists. See the "Illustrative Tariff/Price List Example" attached. Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission (See Rule R14-2-1109(B)(2)). See Rule R14-2-1110 for the procedures to make price list changes that result in rates that are higher than the tariff rate.

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THRU Matt Rowell
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FROM: Ernest G. Johnson *AD/For*
Director
Utilities Division

DATE: January 29, 2002

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Originator: Anthony Gatto

Enc.

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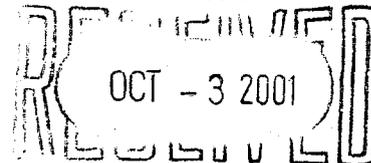
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ARIZONA CORPORATION
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If you believe this to be in error, or, if I can answer any questions, please contact me at 602-542-0818.

Sincerely,

Patrick C. Williams
Manager, Compliance and Enforcement
Utilities Division

cc: Docket Control, with eleven copies

Compliance Delinquencies Report

Report Date: October 03, 2001

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DECISION DATE: 08/30/2001

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KELLEY DRYE & WARREN LLP

A LIMITED LIABILITY PARTNERSHIP

1200 19TH STREET, N.W.

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WASHINGTON, D.C. 20036

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NEW YORK, NY
TYSONS CORNER, VA

LOS ANGELES, CA

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PARSIPPANY, NJ

BRUSSELS, BELGIUM

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AFFILIATE OFFICES

BANGKOK, THAILAND

JAKARTA, INDONESIA

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Arizona Corporation Commission

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AZ CORP COMMISSION
DOCUMENT CONTROL

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October 30, 2001

VIA FEDERAL EXPRESS

Michael P. Kearns, Director/Deputy Executive Secretary

ATTENTION: Docket Control

Arizona Corporation Commission

1200 West Washington Street

Phoenix, Arizona 85007

Re: Application of SNiP Link, LLC to Provide Competitive Resold Interexchange Telecommunications Services; Docket No. T-03984A-01-0070, Decision No. 63991

Dear Mr. Kearns:

Enclosed for filing on behalf of SNiP Link, LLC ("SNiP") are an original and ten (10) copies, including a Docket Control Cover Sheet, of this request for an extension of time to comply with the Commission's above referenced Decision. Also enclosed is a duplicate copy of this filing. Please date-stamp the duplicate copy and return it to the undersigned counsel, in the self-addressed, postage paid envelope provided.

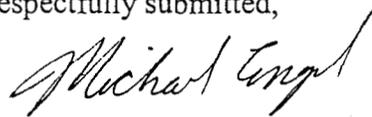
On August 30, 2001, the Commission conditionally approved SNiP's application for a Certificate of Convenience and Necessity to provide competitive resold interexchange telecommunications services, except local telecommunications services, within the State of Arizona. The Commission's approval was conditioned upon SNiP filing, within thirty (30) days of the date of the Decision, both an interexchange tariff and a notification with the Compliance Section of the date that SNiP will begin or has begun providing service to Arizona customers.

This Decision, however, was not served upon counsel for SNiP and, accordingly, the requested filings were not made. A copy of this Decision and the accompanying service list demonstrating that counsel was not served is attached to this request as *Exhibit A*. Counsel for SNiP had previously been the sole contact for communications with Commission staff, including receiving the date-stamped application and discussing and filing the affidavit of Public Notice.

Additionally, counsel for SNiP had notified the Commission that counsel would be the contact person for the application. A copy of the Docket Control Sheet and relevant application page setting out this notification is attached as *Exhibit B*.

Therefore, despite SNiP's request and expectation that counsel would be served copies of all relevant communications in order to properly respond to any requests, and because counsel for SNiP was not served a copy of the above Decision, SNiP respectfully requests that it be allowed an extension of time to file both its tariff and the notification with the Compliance Section. No party will be prejudiced by such an extension and SNiP will promptly file the required documents upon the granting of an extension. Additionally, SNiP requests that copies of all future communications to SNiP be forwarded to the undersigned counsel. Thank you for your consideration and if you have any questions regarding this filing, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in cursive script that reads "Michael Engel".

Michael Engel
Counsel to SNiP Link, LLC

Enclosures

Exhibit A

Arizona Corporation Commission
BEFORE THE ARIZONA CORPORATION COMMISSION
DOCKETED

1
2 WILLIAM A. MUNDELL
CHAIRMAN
3 JIM IRVIN
COMMISSIONER
4 MARC SPITZER
COMMISSIONER
5

AUG 30 2001

DOCKETED BY

JL

6 IN THE MATTER OF THE APPLICATION OF
SNIP LINK, LLC FOR A CERTIFICATE OF
7 CONVENIENCE AND NECESSITY TO PROVIDE
COMPETITIVE RESOLD INTRASTATE
8 TELECOMMUNICATIONS SERVICES, EXCEPT
LOCAL EXCHANGE SERVICE

DOCKET NO. T-03984A-01-0070

DECISION NO. 63991

ORDER

9 Open Meeting
10 August 28 and 29, 2001 --
Phoenix, Arizona

11 BY THE COMMISSION:

12 Having considered the entire record herein and being fully advised in the premises, the
13 Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

14 FINDINGS OF FACT

15 1. On January 22, 2001, SNiP Link, LLC ("SNiP Link" or "Applicant") filed with the
16 Commission an application for a Certificate of Convenience and Necessity ("Certificate") to provide
17 competitive resold interexchange telecommunications services, except local exchange services,
18 within the State of Arizona.

19 2. In Decision No. 58926 (December 22, 1994), the Commission found that resold
20 telecommunications providers ("resellers") were public service corporations subject to the
21 jurisdiction of the Commission.

22 3. Applicant is a limited liability corporation domiciled in New Jersey, authorized to do
23 business in Arizona since June of 2000.

24 4. Applicant is a switchless reseller, which purchases telecommunications services from
25 a variety of carriers.

26 5. On February 9, 2001, Applicant filed Affidavits of Publication indicating compliance
27 with the Commission's notice requirements.
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(e) The Applicant should be ordered to comply with the Commission's rules and modify its tariffs to conform to these rules if it is determined that there is a conflict between the Applicant's tariffs and the Commission's rules;

(f) The Applicant should be ordered to cooperate with Commission investigations of customers complaints;

(g) The Applicant should be ordered to participate in and contribute to a universal service fund, as required by the Commission;

(h) The Applicant file its tariffs within 30 days of an Order in this matter, and in accordance with the Decision;

(i) The Applicant should be ordered to notify the Commission immediately upon changes to the Applicant's address or telephone number;

(j) The Applicant's intrastate interexchange service offerings should be classified as competitive;

(k) 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. 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.
2. The total actual operating expenses for the first twelve months of telecommunications service provided to Arizona customers by the Applicant following certification.
3. The value of all assets, listed by major category, used for the first twelve months of telecommunications service provided to Arizona customers by the Applicant following certification. Assets are not limited to plant and equipment. Items such as office equipment and office supplies should be included in this list.

(l) The Applicant's competitive services should be priced at the rates proposed by the Applicant in its most recently filed tariffs. The maximum rates for these services should be the maximum rates proposed by the Applicant in its proposed tariffs. The minimum rates for the Applicant's competitive services should be the Applicant's total service long run incremental costs of providing those services; and

1 (m) In the event that the Applicant states only one rate in its proposed tariff for a
2 competitive service, the rate stated should be the effective (actual) price to be charged
3 for the service as well as the service's maximum rate.

4 10. The Staff Report also stated that Applicant has no market power and the
5 reasonableness of its rates would be evaluated in a market with numerous competitors.

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

8 12. On August 29, 2000, the Arizona Court issued its Opinion in US WEST
9 Communications, Inc. v. Arizona Corporation Commission, 1 CA-CV 98-0672, holding that "the
10 Arizona Constitution requires the Commission to determine fair value rate bases for all public service
11 corporations in Arizona prior to setting their rates and charges."

12 13. On October 26, 2000, the Commission filed a Petition for Review to the Supreme
13 Court.

14 14. On February 16, 2001, the Commission's Petition was granted.

15 CONCLUSIONS OF LAW

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

18 2. The Commission has jurisdiction over Applicant and the subject matter of the
19 application.

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

21 4. Applicant's provision of resold interexchange telecommunications services is in the
22 public interest.

23 5. Applicant is a fit and proper entity to receive a Certificate for providing competitive
24 resold interexchange telecommunications services in Arizona.

25 6. Staff's recommendations in Findings of Fact No. 8 and 9 are reasonable and should be
26 adopted.

27 ORDER

28 IT IS THEREFORE ORDERED that the application of SNiP Link, LLC for a Certificate of

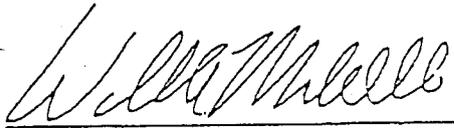
1 Convenience and Necessity for authority to provide competitive resold interexchange
2 telecommunications services, except local exchange services, is hereby granted, as conditioned
3 herein, except SNiP Link, LLC shall not be authorized to charge customers any prepayments,
4 advances, or deposits. In the future, if SNiP Link, LLC desires to initiate such charges, it must file
5 information with the Commission that demonstrates SNiP Link, LLC's financial viability. Staff shall
6 review the information provided and file its recommendation concerning the Applicant's financial
7 viability and/or the necessity of obtaining a surety bond within thirty (30) days of receipt of the
8 financial information, for Commission approval.

9 IT IS FURTHER ORDERED that SNiP Link, LLC shall comply with Staff's
10 recommendations as set forth in Findings of Fact No. 8 and 9.

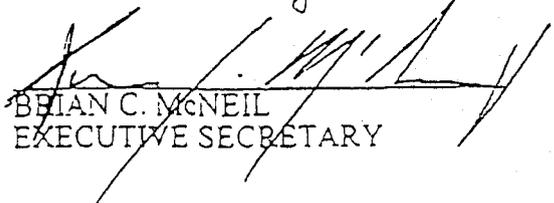
11 IT IS FURTHER ORDERED that within 30 days of the effective date of this Decision, SNiP
12 Link, LLC shall notify the Compliance Section of the Arizona Corporation Commission of the date
13 that it will begin or has begun providing service to Arizona customers.

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

15 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

16 
17 
18 CHAIRMAN COMMISSIONER COMMISSIONER
19

20 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
21 Secretary of the Arizona Corporation Commission, have
22 hereunto set my hand and caused the official seal of the
23 Commission to be affixed at the Capitol, in the City of Phoenix,
24 this 30th day of August, 2001.

25 
26 BRIAN C. McNEIL
27 EXECUTIVE SECRETARY

28 DISSENT _____
PD:mj

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SERVICE LIST FOR: SNIP LINK, LLC
DOCKET NO.: T-03948A-01-0070

Joseph Polito, Jr.
SNIP LINK, LLC
100-A Twinbridge Drive
Pennsauken, New Jersey 08110

Christopher Kempley, Chief Counsel
Legal Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Deborah Scott, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
Phoenix, Arizona 85007

Exhibit B

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL CENTER

CASE/COMPANY NAME:

DOCKET NO.

SNIP Link, LLC

D/B/A or RESPONDENT:

NATURE OF ACTION OR DESCRIPTION OF DOCUMENT

Please mark the item that describes the nature of the case/filing:

01 UTILITIES - NEW APPLICATIONS

- | | |
|---|--|
| <input checked="" type="checkbox"/> NEW CC&N | <input type="checkbox"/> MAIN EXTENSION |
| <input type="checkbox"/> RATES | <input type="checkbox"/> CONTRACT/AGREEMENTS |
| <input type="checkbox"/> INTERIM RATES | <input type="checkbox"/> COMPLAINT (Formal) |
| <input type="checkbox"/> CANCELLATION OF CC&N | <input type="checkbox"/> RULE VARIANCE/WAIVER REQUEST |
| <input type="checkbox"/> DELETION OF CC&N (TERRITORY) | <input type="checkbox"/> SITING COMMITTEE CASE |
| <input type="checkbox"/> EXTENSION OF CC&N (TERRITORY) | <input type="checkbox"/> SMALL WATER COMPANY -SURCHARGE (Senate Bill 1252) |
| <input type="checkbox"/> TARIFF - NEW (NEXT OPEN MEETING) | <input type="checkbox"/> SALE OF ASSETS & TRANSFER OF OWNERSHIP |
| <input type="checkbox"/> REQUEST FOR ARBITRATION | <input type="checkbox"/> SALE OF ASSETS & CANCELLATION OF CC&N |
| <input type="checkbox"/> (Telecommunication Act) | <input type="checkbox"/> FUEL ADJUSTER/PGA |
| <input type="checkbox"/> FULLY OR PARTIALLY ARBITRATED | <input type="checkbox"/> MERGER |
| <input type="checkbox"/> INTERCONNECTION AGREEMENT | <input type="checkbox"/> FINANCING |
| <input type="checkbox"/> (Telecom. Act.) | <input type="checkbox"/> MISCELLANEOUS |
| <input type="checkbox"/> VOLUNTARY INTERCONNECTION | Specify |
| <input type="checkbox"/> AGREEMENT (Telecom. Act) | |

02 UTILITIES - REVISIONS/AMENDMENTS TO PENDING OR APPROVED MATTERS

- | | |
|---|--------------------------------------|
| <input type="checkbox"/> APPLICATION COMPANY DOCKET NO. | <input type="checkbox"/> TARIFF |
| | <input type="checkbox"/> PROMOTIONAL |
| | DECISION NO. |
| | DOCKET NO. |
| | <input type="checkbox"/> COMPLIANCE |
| | DECISION NO. |
| | DOCKET NO. |

SECURITIES or MISCELLANEOUS FILINGS

- | | |
|--|--|
| <input type="checkbox"/> 04 AFFIDAVIT | <input type="checkbox"/> 29 STIPULATION |
| <input type="checkbox"/> 12 EXCEPTIONS | <input type="checkbox"/> 38 NOTICE OF INTENT |
| <input type="checkbox"/> 18 REQUEST FOR INTERVENTION | (Only notification of future action/no action necessary) |
| <input type="checkbox"/> 48 REQUEST FOR HEARING | <input type="checkbox"/> 43 PETITION |
| <input type="checkbox"/> 24 OPPOSITION | <input type="checkbox"/> 46 NOTICE OF LIMITED APPEARANCE |
| <input type="checkbox"/> 50 COMPLIANCE ITEM FOR APPROVAL | <input type="checkbox"/> 39 OTHER |
| <input type="checkbox"/> 32 TESTIMONY | Specify |
| <input type="checkbox"/> 47 COMMENTS | |

Date

SNIP Link, LLC
Print Name of Applicant/Company/Contact person/Respondent/Atty.
Contact: Michael Engel, Esq. (202)955-9600 (*Admitted in New York only.)
Phone

PLEASE SEE NOTICE ON REVERSE SIDE

(A-4) The name, address, and telephone of the attorney, if any, representing the applicant:

Michael Engel*
KELLEY DRYE & WARREN LLP
1200 Nineteenth Street, N.W., Suite 500, Washington, D.C. 20036
Phone: 202-955-9600

*Admitted in New York only.

(A-5) What type of legal entity is the applicant?

- Sole proprietorship
 Partnership: __limited, __general, __Arizona, __Foreign
 Limited liability company
 Corporation: __“S”, __“C”, __non-profit, __Arizona, __Foreign
 Other, specify

(A-6) Include “Attachment A.” Attachment A must list names of all owners, partners, limited liability company managers, or corporation officers and directors (specify), and indicate percentages of ownership.

- (A-7) 1. Is your company currently reselling telecommunications service in Arizona? If yes, provide the date or the approximate date that you began reselling service in Arizona. No.
2. If the answer to 1. is “yes”, identify the types of telecommunications services you resell; whether operator services are provided or resold and whether they are provided or resold to traffic aggregators (as defined in A.A.C. Rule R14-2-1001(3), a copy of which is attached); the number of customers in Arizona for each type of service; and the total number of intrastate minutes resold in the latest 12 month period for which data are available. Note: The Commission rules require that a separate CC&N, issued under Article 10, be obtained in order to provide operator services to traffic aggregators. Not Applicable.
3. If the answer to 1. is “no”, when does your company plan to begin reselling service in Arizona?
- SNiP Link, LLC seeks to provide intrastate telecommunications services as an interexchange reseller upon grant of this application.

(A-8) Include “Attachment B.” Attachment B, your proposed tariff, must include proposed rates and charges for each service to be provided. state the tariff (maximum) rate as well as the price to be charged, and state other terms and conditions, including deposits, that will apply to provision of the service(s) by your company.

The Commission provides pricing flexibility by allowing competitive telecommunications service companies to price their services at levels equal to or below the tariff (maximum) rates. The prices to be charged by the company are filed with the Commission in the form of price lists. See the “Illustrative Tariff/Price List Example” attached. Note: Price list rate changes that result in rates that are lower than the tariff rate are effective upon concurrent notice to the Commission (See Rule R14-2-1109(B)(2)). See Rule R14-2-1110 for the procedures to make price list changes that result in rates that are higher than the tariff rate.