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BEFORE THE ARIZONA CORPORATION COMMISSION

WILLIAM A. MUNDELL  
Chairman  
JIM IRVIN  
Commissioner  
MARC SPITZER  
Commissioner

Arizona Corporation Commission

DOCKETED

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AZ CORP COMMISSION  
DOCUMENT CONTROL

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IN THE MATTER OF THE APPLICATION OF )  
ONEPOINT SERVICES, L.L.C., DOING )  
BUSINESS AS R.C.P. SERVICES, FOR A )  
CERTIFICATE OF CONVENIENCE AND )  
NECESSITY TO PROVIDE COMPETITIVE )  
LOCLA EXCHANGE TELECOMMUNICATIONS )  
SERVICES AS A RESELLER. )

DOCKET NO. T-03855A-00-0169

STAFF'S FAIR VALUE RATE  
BASE COMMENTS

On January 10, 2001 OnePoint Services, L.L.C., D/B/A R.C.P. Services ("Applicant") filed a response to the December 11, 2000 Procedural Order's ("Procedural Order") 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 Procedural Order ordered the Utilities Division Staff ("Staff") to file disagreements with the proposed FVRB and/or rates and charges within 60 days of the Procedural Order.<sup>1</sup> Staff hereby files its comments as required by that Order.

The FVRB information filed by the Applicant provides insufficient information for Staff 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;

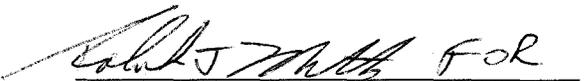
<sup>1</sup> The December 11, 2000 Procedural Order also ordered Staff to review the FVRB information filed and ascertain that the Applicant is utilizing the appropriate amount of depreciation and capital carrying costs in determining its total service long-run incremental costs.

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

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

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

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14           RESPECTFULLY SUBMITTED this 16<sup>th</sup> day of February, 2001.

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17             
18           Devinti M. Williams  
19           Arizona Corporation Commission  
20           Attorney, Legal Division  
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22           The original and fifteen copies  
23 of the foregoing filed this 16<sup>th</sup> day  
of February, 2001, with:

24           Docket Control  
25           Arizona Corporation Commission  
26           1200 West Washington Street  
            Phoenix, Arizona 85007

27           Copy of the foregoing was mailed  
this 16<sup>th</sup> day of February, 2001 to:

28           ...

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