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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

JIM IRVIN
COMMISSIONER-CHAIRMAN

TONY WEST
COMMISSIONER

CARL J. KUNASEK
COMMISSIONER

DOCKETED

JAN 29 1999

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IN THE MATTER OF THE APPLICATION OF
MCIMETRO ACCESS TRANSMISSION
SERVICES, INC. TO EXPAND ITS
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE INTRALATA
SERVICES AND PETITION FOR
DETERMINATION THAT ITS INTRALATA
SERVICES ARE COMPETITIVE.

DOCKET NO. T-03175A-97-0251

DECISION NO. 61378

OPINION AND ORDER

10 DATE OF HEARING: November 16, 1998
11 PLACE OF HEARING: Phoenix, Arizona
12 PRESIDING OFFICER: Teena Wolfe
13 APPEARANCES: Mr. Thomas F. Dixon, Senior Attorney, on behalf of MCImetro Access
14 Transmission Services, Incorporated; and
15 Mr. Patrick Black, Staff Attorney, Legal Division, on behalf of Arizona
Corporation Commission Staff.

16 **BY THE COMMISSION:**

17 On May 15, 1997, MCImetro Access Transmission Services, Inc. ("MCImetro") filed with the
18 Arizona Corporation Commission ("Commission") an application to expand its Certificate of
19 Convenience and Necessity ("Certificate" or CC&N") to include provision of all intraLATA
20 telecommunications services in the State of Arizona, including intraLATA toll services, and for a
21 Commission determination that those intraLATA services are "competitive" in accordance with
22 A.A.C. R14-2-1108 ("Application").

23 By Procedural Order dated August 27, 1997, U.S. WEST Communications, Inc. ("U S
24 WEST") was granted intervention in this matter.

25 On September 16, 1998, the Commission's Utilities Division Staff ("Staff") issued its Staff
26 Report on the Application, and by Procedural Order dated September 24, 1998, the matter was set for
27 hearing. On November 16, 1998, a public hearing took place as scheduled before a duly authorized
28 Hearing Officer of the Commission at its offices in Phoenix, Arizona. The Applicant and Staff

1 appeared with counsel and presented evidence. Intervenor U S WEST did not enter an appearan
2 At the conclusion of the hearing, the matter was taken under advisement pending submission of a
3 Recommended Opinion and Order to the Commission.

4 **DISCUSSION**

5 MCImetro, a wholly owned subsidiary of MCI Worldcom, Inc., ("MCIW"), currently holds a
6 CC&N to provide local exchange services and intraLATA private line services on a statewide basis in
7 all areas served by U S WEST. MCImetro seeks an expansion of its existing Certificate to allow it to
8 provide all intraLATA telecommunications services in its certificated area, and a declaration that the
9 new services are competitive. The services MCImetro proposes to provide include local line services
10 and intraLATA toll services. The Application does not request an extension of MCImetro's service
11 territory.

12 At the hearing, Staff recommended approval of the Application. We find Staff's
13 recommendations to be reasonable and will adopt them.

14 * * * * *

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

17 **FINDINGS OF FACT**

- 18 1. MCImetro, an Arizona public service corporation, was granted a CC&N to provide local
19 exchange service and intraLATA private line service in all areas served by U S WEST in Decision
20 No. 59983 (January 16, 1997).
- 21 2. On May 15, 1997, MCImetro filed its Application with the Commission.
- 22 3. The Application requested expansion of MCImetro's CC&N to include provision of all
23 intraLATA telecommunications services.
- 24 4. The Application also requested that the services it intends to provide be declared
25 "competitive" pursuant to the requirements of A.A.C. R14-2-1108.
- 26 5. On August 15, 1997, U S WEST filed a request to intervene in this matter which was
27 granted on August 27, 1997.

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4. Pursuant to Article XV of the Arizona Constitution and A.A.C. R14-2-1101 et seq., it is the public interest to expand MCImetro's CC&N to include the provision of all intraLATA telecommunications services.

5. MCImetro is a fit and proper entity to receive an expanded CC&N for providing all intraLATA telecommunications services.

6. MCImetro's proposed services should be classified as competitive pursuant to the requirements of A.A.C. R14-2-1108.

7. Pursuant to Article XV of the Arizona Constitution and A.A.C. R14-2-1104, it is just and reasonable and in the public interest for MCImetro to establish rates and charges which are not less than MCImetro's total service long-run incremental cost of providing the competitive services approved herein.

ORDER

IT IS THEREFORE ORDERED that the application of MCImetro Access Transmission Services, Inc. to expand its Certificate of Convenience and Necessity to provide all intraLATA services is hereby approved.

IT IS FURTHER ORDERED that MCImetro Access Transmission Services, Inc.'s petition to determine that its intraLATA services are competitive is hereby approved.

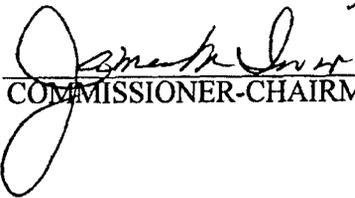
IT IS FURTHER ORDERED that on or before January 29, 1999, MCImetro Access Transmission Services, Inc. shall file a tariff for the intraLATA services approved herein which sets forth maximum rates and charges as well as the current rates and charges which are not less than MCImetro Access Transmission Services, Inc.'s total service long-run incremental cost of providing the service.

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1 IT IS FURTHER ORDERED that the rates and charges authorized herein shall be effective
2 for all service rendered on and after February 1, 1999, until the Commission is notified in writing of a
3 price change which is below the maximum tariffed rate and which is consistent with the approval
4 granted herein.

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

6 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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9 COMMISSIONER-CHAIRMAN COMMISSIONER COMMISSIONER
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11 IN WITNESS WHEREOF, I, STUART R. BRACKNEY,
12 Acting Executive Secretary of the Arizona Corporation
13 Commission, have hereunto set my hand and caused the official
14 seal of the Commission to be affixed at the Capitol, in the City
15 of Phoenix, this 29th day of Jan, 1999.

16 
17 STUART R. BRACKNEY
18 ACTING EXECUTIVE SECRETARY

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17 DISSENT _____
18 TW:dap

1 SERVICE LIST FOR: MCIMETRO ACCESS TRANSMISSION SERVICES, INC.

2 DOCKET NO.: T-01375A-97-0251

3 William P. Hunt
4 Thomas F. Dixon
5 MCI TELECOMMUNICATIONS CORPORATION
6 707 17TH Street, Suite 3900
7 Denver, Colorado 80202

8 Thomas H. Campbell
9 LEWIS & ROCA
10 40 N. Central Avenue
11 Phoenix, Arizona 85004
12 Attorneys for MCImetro Access Transmission Services, Inc.

13 Timothy Berg
14 FENNEMORE CRAIG
15 3003 N. Central Ave., Suite 2600
16 Phoenix, Arizona 85012
17 Attorneys for U S West Communications, Inc.

18 Paul Bullis, Chief Counsel
19 ARIZONA CORPORATION COMMISSION
20 1200 W. Washington Street
21 Phoenix, Arizona 85007

22 Director of Utilities
23 ARIZONA CORPORATION COMMISSION
24 1200 W. Washington Street
25 Phoenix, Arizona 85007

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27
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