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BEFORE THE ARIZONA CORPORATION COMMISSION

1
2 WILLIAM A. MUNDELL Arizona Corporation Commission
Chairman
3 JIM IRVIN
Commissioner
4 MARC SPITZER
Commissioner

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AZ CORP COMMISSION
DOCUMENT CONTROL

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6 IN THE MATTER OF THE APPLICATION)
7 OF ECLIPSE COMMUNICATIONS)
8 CORPORATION, NOW KNOWN AS WESTERN)
9 CLEC CORPORATION, FOR A CERTIFICATE)
10 OF CONVENIENCE AND NECESSITY TO)
11 PROVIDE LOCAL COMPETITIVE SERVICES)
12 AND PETITION FOR COMPETITIVE)
13 CLASSIFICATION OF PROPOSED SERVICES)
14 WITHIN THE STATE OF ARIZONA.)

DOCKET NO. T-03590A-98-0364

**STAFF'S FAIR VALUE RATE
BASE COMMENTS**

12 Eclipse Communications Corporation, now known as Western CLEC Corporation ("Western
13 CLEC") did file a response to the November 29, 2000 Procedural Order's requirement that Western
14 CLEC file Fair Value Rate Base ("FVRB") information in support of its application for a Certificate
15 of Convenience and Necessity ("CC&N). Western CLEC is not currently providing service in
16 Arizona. The November 29, 2000 Procedural Order ordered the Utilities Division Staff ("Staff") to
17 file disagreements with the proposed FVRB and/or rates and charges within 30 days of Company
18 filing its FVRB information.¹ Staff hereby files its comments as required by the November 29, 2000
19 Procedural Order.

20 Because Western CLEC did not file the ordered FVRB information, Staff has insufficient
21 information for analysis and recommendation for a fair value finding in this case.

22 Staff recommends that Western CLEC should be required to file in this Docket, within 18
23 months of the date it first provides service following certification, sufficient information for Staff
24 analysis and recommendation for a fair value finding, as well as for an analysis and recommendation
25 for permanent tariff approval. Staff believes that this information must include, at a minimum, the
26 following:

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28 ¹ The November 29, 2000 Procedural Order also ordered Staff to review any FVRB information
filed and ascertain that Western CLEC is utilizing the appropriate amount of depreciation and capital
carrying costs in determining its total service long-run incremental costs.

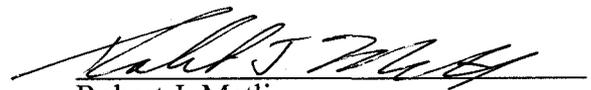
1 1. A dollar amount representing the total revenue for the first twelve months of
2 telecommunications service provided to Arizona customers by the Applicant following
3 certification, adjusted to reflect the **maximum rates** that the Applicant has requested in
its tariff. This adjusted total revenue figure could be calculated as the number of units
sold for all services offered times the maximum charge per unit;

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

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

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

16 RESPECTFULLY SUBMITTED this 26th day of January, 2001.

17 

18 Robert J. Metli
19 Arizona Corporation Commission
20 Attorney, Legal Division
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22 The original and fifteen copies
23 of the foregoing filed this 26th day
of January, 2001, with:

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

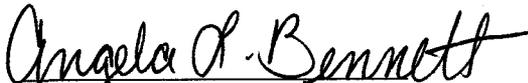
27 Copy of the foregoing was mailed
this 26th day of January, 2001 to:

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