

OPEN MEETING ITEM



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MEMORANDUM

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AZ CORP COMMISSION  
DOCUMENT CONTROL

TO: THE COMMISSION

FROM: Utilities Division

DATE: September 20, 2001

RE: SPRINT COMMUNICATIONS COMPANY - FILING TO INTRODUCE ARIZONA COST RECOVERY CHARGE (DOCKET NO. T-02432B-00-1030)

On December 15, 2000, Sprint Communications Company ("Sprint") filed tariff revisions to introduce an "In-state Access Recovery Charge." This filing would result in a flat monthly charge on all of Sprint's Arizona Dial 1 accounts (i.e., Sprint's Arizona long distance customers). Sprint is proposing a maximum rate of \$5.00 on this new charge. Sprint is proposing an initial actual rate of \$1.98.

Since this filing increases the maximum rates for a component of a service that has been classified as competitive under the Commission's Competitive Telecommunications Services Rules, A.A.C. Rule R14-2-1110 applies to Sprint's proposal. Staff requested information from Sprint to allow it to determine the potential effects of approval of the filing. Sprint provided confidential data that specified its effects on their revenue and Arizona specific rate of return.

Sprint stated that it is introducing this charge in order to recover costs associated with intrastate access rates in Arizona. Intrastate access rates in Arizona are significantly higher than interstate access rates. Sprint indicated that they have chosen to use a flat rate to recover the costs of state specific access rates (instead of a per minute additive) in order to facilitate a uniform nationwide per minute rate for long distance service. Sprint has committed to reduce or eliminate the In-state Access Recovery Charge if intrastate access rates fall and become closer to interstate access rates.

Sprint indicated to Staff that the In-state Access Recovery Charge will be clearly labeled on each customer's bill.

Sprint provided evidence to Staff that it has provided customer notification in accordance with Commission rules. Staff has reviewed the notice Sprint provided and has determined that the notice does indicate that the Commission will review this filing and it does give contact information for the Commission.

Arizona Corporation Commission

DOCKETED

SEP 21 2001

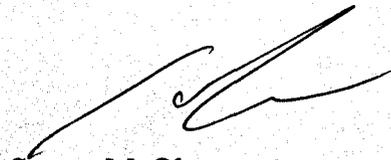
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THE COMMISSION

September 18, 2001

Page 2

Staff believes that competitive pressures in the long distance market are significant. Therefore, Staff believes that IXCs should be free to develop their own pricing strategies. Staff recommends approval of this filing.



Steven M. Olea  
Acting Director  
Utilities Division

SMO:MGK:rdp\MAS

ORIGINATOR: Marta Kalleberg

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 WILLIAM A. MUNDELL  
Chairman  
3 JIM IRVIN  
Commissioner  
4 MARC SPITZER  
Commissioner  
5

6 IN THE MATTER OF THE APPLICATION OF )  
SPRINT COMMUNICATIONS COMPANY TO )  
7 INTRODUCE AN IN-STATE ACCESS RECOVERY )  
CHARGE )  
8 )  
9

DOCKET NO. T-02432B-00-1030

DECISION NO. \_\_\_\_\_

ORDER

10 Open Meeting  
October 2 and 3, 2001  
11 Phoenix, Arizona

12 BY THE COMMISSION:

13 FINDINGS OF FACT

14 1. Sprint Communications Company ("Sprint") is certified to provide intrastate  
15 telecommunications service as a public service corporation in the State of Arizona.

16 2. On December 15, 2000, Sprint filed tariff revisions to its Arizona Tariff No. 2:

17 Arizona Tariff No. 2  
18 Table of Contents, Page 1, Release 166  
19 Table of Contents, Page 1.1, Release 133  
20 Table of Contents, Page 1.2, Release 39  
21 Section 4.4.5.25, Page 55.10, Original

Arizona Price List No. 2  
Section 5.5.5.26, Page 91.12.5, Original

22 3. This filing introduces an "In-State Access Recovery Charge." This filing would result  
23 in a flat monthly charge on all of Sprint's Arizona Dial 1 accounts (i.e., Sprint's Arizona long distance  
24 customers). Sprint is proposing a maximum rate of \$5.00 on this new charge. Sprint is proposing an  
25 initial actual rate of \$1.98.

26 4. Since this filing increases the maximum rates for a component of a service that has been  
27 classified as competitive under the Commission's Competitive Telecommunications Services Rules,  
28 A.A.C. Rule R14-2-1110 applies to Sprint's proposal.



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ORDER

IT IS THEREFORE ORDERED that the filing be and hereby is approved.

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

**BY ORDER OF THE ARIZONA CORPORATION COMMISSION**

CHAIRMAN

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, BRIAN McNEIL,  
Executive Secretary of the Arizona Corporation  
Commission, have here unto, set my hand and caused the  
official seal of this Commission to be affixed at the  
Capitol, in the City of Phoenix, this \_\_\_\_\_ day of  
\_\_\_\_\_, 2001.

\_\_\_\_\_  
BRIAN McNEIL  
Executive Secretary

DISSENT: \_\_\_\_\_

SMO:MGK:rdp/MAS

1 SERVICE LIST FOR Sprint Communications Company  
2 DOCKET NO. T-02432B-00-1030

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24 Acting Director, Utilities Division  
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