

OPEN MEETING ITEM



0000040055

BRIAN C. McNEIL
Executive Director

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COMMISSIONERS
JEFF HATCH-MILLER - Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

ORIGINAL



ARIZONA CORPORATION COMMISSION

DATE: January 30, 2006
DOCKET NO: T-04260A-03⁴-0383
TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Judge Teena Wolfe. The recommendation has been filed in the form of an Opinion and Order on:

CHARTER FIBERLINK AZ-CCVII, LLC
(CC&N/RESELLER/FACILITIES-BASED/AOS)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

FEBRUARY 8, 2006

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

FEBRUARY 14 AND 15, 2006

For more information, you may contact Docket Control at (602)542-3477 or the Hearing Division at (602)542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

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BRIAN C. McNEIL
EXECUTIVE DIRECTOR

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

IN THE MATTER OF THE APPLICATION OF
CHARTER FIBERLINK AZ-CCVII, LLC FOR A
CERTIFICATE OF CONVENIENCE AND
NECESSITY TO PROVIDE RESOLD LONG
DISTANCE AND LOCAL EXCHANGE,
FACILITIES-BASED LONG DISTANCE AND
OPERATOR SERVICES AND PRIVATE LINE
TELECOMMUNICATIONS SERVICES.

DOCKET NO. T-04260A-04-0383

DECISION NO. _____

OPINION AND ORDER

DATE OF HEARING: November 22, 2005
PLACE OF HEARING: Phoenix, Arizona
ADMINISTRATIVE LAW JUDGE: Teena Wolfe
APPEARANCES: Michael W. Patten, ROSHKA, DeWULF & PATTEN,
on behalf of Fiberlink AZ-CCVII, LLC;
Carrie L. Cox, Director of Legal and Regulatory Affairs,
on behalf of Fiberlink AZ-CCVII, LLC; and
David M. Ronald, Legal Division, on behalf of the
Commission's Utilities Division Staff.

BY THE COMMISSION:

* * * * *

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

FINDINGS OF FACT

1. On May 20, 2004, Charter Fiberlink AZ-CCVII, LLC ("Applicant") submitted to the
Arizona Corporation Commission ("Commission") an application for a Certificate of Convenience
and Necessity ("CC&N") to provide resold and facilities-based long distance, resold and facilities-
based local exchange, alternative operator services and private line telecommunications services on a
statewide basis within the State of Arizona. The application petitioned the Commission for

1 determination that its proposed services be classified as competitive.

2 2. Applicant is a Delaware limited liability corporation. Applicant's membership
3 interests are wholly owned by CCVII Fiberlink, LLC. CCVII Fiberlink is in turn 100 percent
4 indirectly owned by Charter Communications, Inc., which is publicly traded on the Nasdaq stock
5 exchange.

6 3. Applicant has had authority to do business in Arizona since February 21, 2004.

7 4. On June 2, 2004, and July 13, 2004, the Commission's Utilities Division Staff
8 ("Staff") docketed a copy of a letter informing Applicant of further information required for Staff to
9 complete its analysis of the application.

10 5. Applicant's responses to Staff's request for additional information were docketed on
11 June 10, August 30, and September 22, 2004.

12 6. On August 30, 2004, local counsel entered a Notice of Appearance.

13 7. On December 10, 2004, Staff filed a Staff Report on the application, recommending
14 approval subject to certain conditions.

15 8. By Procedural Order issued December 17, 2004, the matter was set for hearing to
16 commence on March 10, 2005.

17 9. Applicant caused notice of the hearing to be published in the *Arizona Republic*, a
18 newspaper of general circulation in the requested CC&N service area, on January 24, 2005. No
19 requests for intervention were filed.

20 10. On March 10, 2005, the hearing convened as scheduled. No members of the public
21 appeared to provide public comment. At the hearing, Applicant requested a continuance of the
22 hearing pending a possible amendment to its application.

23 11. By Procedural Order issued April 6, 2005, the hearing was continued for a period of
24 180 days. The Procedural Order directed that the docket would be administratively closed if no
25 amendment to the application or request for hearing was filed by September 6, 2005.

26 12. On September 1, 2005, Applicant filed a Request for Hearing. The filing indicated
27 that Applicant would not be filing an amendment to its application.

28 13. A Procedural Order issued September 12, 2005, set a new hearing date of September

1 30, 2005.

2 14. Applicant originally proposed that its rates would be determined on an individual case
3 basis ("ICB"). On September 29, 2005, Applicant filed revised tariff pages reflecting actual rates that
4 it proposes to charge for its local and interexchange services. The revised tariff also included service
5 descriptions and rates for various local exchange and long distance service offerings, and the filing
6 included other information updating its application.

7 15. On September 29, 2005, by Procedural Order, the hearing was continued until
8 November 22, 2005 in order to allow Staff an opportunity to update its Staff Report in response to
9 Applicant's September 29, 2005 filing. The timeclock was suspended pending the continuance of the
10 hearing.

11 16. On October 28, 2005, Staff filed a Supplemental Staff Report on the application.

12 17. Applicant has the technical and managerial capabilities to provide the
13 telecommunications services it is requesting authority to provide.

14 18. In addition to other authority requested, Applicant requests authority to provide
15 alternative operator services ("AOS"). AOS providers contract to provide intrastate resold
16 telecommunications and operator services to aggregators, who are large customers such as hotels,
17 motels, health care facilities, and correctional facilities that make the telephone services available to
18 their patrons. AOS services are provided by routing all calls originating from the contracting party's
19 premises to the AOS provider, which then handles the call to meet the needs of the end user.

20 19. Staff stated that end users of AOS services have no control over aggregators'
21 subscription to AOS providers for telecommunications services, and as such are essentially captive
22 customers. It is therefore in the public interest to ensure that an end user of services provided by an
23 AOS provider be charged rates consistent with the corresponding rates and service charges of
24 certified facilities-based toll carriers available to the calling public.

25 20. Staff reviewed the authorized rates and service charges of five major toll carriers¹ in
26 order to determine its recommended maximum rates for Applicant's AOS services as they appear on
27

28 ¹ Staff reviewed the rates of AT&T, MCI, Sprint, Allnet, and Qwest.

1 Staff's Schedule 1 and Schedule 2, which are attached hereto and incorporated herein as Exhibit A.
2 Staff recommended that if any of the five carriers in its rate group obtain higher rates, Applicant be
3 authorized to seek authority to increase its maximum rates and or service charges accordingly. Staff
4 recommended that the Commission require any request for an increase to include the following:

- 5 a. an estimate of the value of Applicant's plant to serve Arizona customers;
6 b. a tariff setting forth the proposed new maximum rates, not to exceed the
7 maximum rates of the five major carriers; and
8 c. all information required by A.A.C. R14-2-1110.

9 21. Pursuant to A.A.C. R14-2-1006(A), AOS providers are required to route all "zero-
10 minus" calls, which are calls by individuals who dial "0," to the originating local exchange carrier.
11 Applicant did not request a waiver of this requirement.

12 22. Staff recommended that Applicant be allowed to discount its AOS rates and service
13 charges to the marginal cost of providing the services in order to provide Applicant with pricing
14 flexibility to compete with other providers and to allow the potential benefits of price competition to
15 accrue to end users.

16 23. Staff believes that its recommended maximum rates for AOS as set forth in Exhibit A,
17 coupled with discounting authority, will provide Applicant with the ability to compete on price and
18 service quality.

19 24. Applicant will be providing service in areas where incumbent local exchange carriers
20 ("ILECs"), along with various competitive local exchange carriers ("CLECs") and interexchange
21 carriers are providing telephone and private line services.

22 25. Staff recommended that Applicant's proposed services be classified as competitive
23 because there are alternatives to Applicant's services; Applicant will have to convince customers to
24 purchase its services; Applicant has no ability to adversely affect the local exchange or interexchange
25 service markets; and Applicant will therefore have no market power in those local exchange or
26 interexchange service markets where alternative providers of telecommunications services exist.

27 26. It is appropriate to classify all of Applicant's authorized services as competitive.

28 27. According to the Supplemental Staff Report, Applicant provided unaudited financial
statements of its parent company, Charter Communications, Inc., for the 6 months ending June 30,

1 2005. The financial statements list assets of approximately \$16 billion; negative equity of
2 approximately \$5 billion; and a net loss of approximately \$355 million.

3 28. Staff's Report stated that Consumer Services showed no complaints filed against the
4 Applicant in Arizona. Applicant has not had an application for service denied, or authority revoked,
5 in any state. There have been no civil or criminal proceedings against Applicant, and none of its
6 officers, directors or partners have been involved in any civil or criminal investigations or any formal
7 or informal complaints.

8 29. Staff recommended that Applicant be granted a CC&N to provide the requested
9 intrastate telecommunications services be granted. In addition, Staff recommended the following:

- 10 (a) that Applicant be ordered to comply with all Commission rules, orders, and
11 other requirements relevant to the provision of intrastate telecommunications
12 service;
- 13 (b) that Applicant be ordered to abide by the quality of service standards that were
14 approved by the Commission for Qwest in Docket No. T-0151B-93-0183;
- 15 (c) that Applicant be prohibited from barring access to alternative local exchange
16 service providers who wish to serve areas where Applicant is the only provider
17 of local exchange service facilities;
- 18 (d) that Applicant be required to notify the Commission immediately upon
19 changes to Applicant's name, address, or telephone number;
- 20 (e) that Applicant be ordered to cooperate with Commission investigations
21 including, but not limited to customer complaints;
- 22 (f) that Applicant be required to offer Caller ID with the capability to toggle
23 between blocking and unblocking the transmission of the telephone number at
24 no charge;
- 25 (g) that Applicant be required to offer Last Call Return service that will not return
26 calls to telephone numbers that have the privacy indicator activated;
- 27 (h) that Applicant be authorized to discount its rates and service charges to the
28 marginal cost of providing the services;
- (i) that Applicant be ordered to submit interexchange tariffs indicating that it does
not collect advances, deposits and or prepayments;
- (j) that Applicant's interLATA rates and service charges for AOS services be
based on the maximum rates and service charges as set forth in Staff's Schedule
1;
- (k) that Applicant's intraLATA rates and service charges for AOS services be
based on the maximum rates and service charges as set forth in Staff's
Schedule 2;

1 (l) that Applicant's property surcharge for AOS services be limited to \$1.00 per
2 call; and

3 (m) that Applicant be required to notify the Commission 60 days prior to filing an
4 application to discontinue service pursuant to A.A.C. R14-2-1107 in the event
Applicant desires to discontinue service, and that Applicant's failure to meet
this requirement result in forfeiture of Applicant's performance bond.

5 30. Staff further recommended that Applicant's CC&N become null and void, and no time
6 extensions be granted, if it does not comply with the following conditions:

7 (a) Applicant shall docket conforming tariffs for each service within its CC&N
8 within 365 days from the date of an Order in this matter or 30 days prior to
9 providing service, whichever comes first, and that the tariffs shall coincide
10 with the application and state that Applicant does not collect advances,
deposits or prepayments from its customers;

11 (b) Applicant shall:

12 (i) Procure a performance bond equal to \$225,000. The minimum bond
13 amount of \$225,000 shall be increased if at any time it would be
insufficient to cover advances, deposits, and/or prepayments collected
14 from Applicant's customers. The bond amount shall be increased in
increments of \$112,500. This increase shall occur when the total
15 amount of the advances, deposits, and prepayments is within \$22,500
of the bond amount.²

16 (ii) Applicant shall docket proof of the performance bond within 365 days
17 of the effective date of an Order in this matter or 30 days prior to the
provision of service, whichever comes first. The performance bond
18 shall remain in effect until further Order of the Commission.

19 31. Staff also recommended that if at some future date, Applicant wants to collect
20 advances, deposits, or prepayments from its resold interexchange customers, that Applicant be
21 required to file an application for Commission approval, and that such application reference this
22 Decision and explain Applicant's plans for procuring an additional performance bond in the amount
23 of \$10,000.

24 32. At the hearing, Applicant agreed to comply with all of Staff's recommendations.

25 33. Based on information obtained from Applicant, Staff determined that Applicant's fair
26

27 ² Staff's recommended performance bond coverage of \$225,000 is broken down as follows: for resold local exchange
28 service, \$25,000; for facilities-based long distance service, \$100,000; and for facilities-based local exchange service,
\$100,000.

1 value rate base ("FVRB") is zero and too small to be useful in a fair value analysis. Staff stated that
2 in general, rates for competitive services are not set according to rate of return regulation. Staff
3 stated that as Applicant will be a new entrant and will have to compete with both an incumbent
4 provider and other competitive providers to obtain subscribers to its services, it would generally not
5 be able to exert market power, and therefore the competitive process should result in rates that are
6 just and reasonable. Staff reviewed the rates in Applicant's revised tariffs submitted September 29,
7 2005, and believes they are comparable to the rates charged by competitive local carriers, local
8 incumbent carriers, and major long distance carriers operating in the State of Arizona. Staff stated
9 that while it considered the FVRB information, it did not believe the information deserved
10 substantial weight in setting Applicant's rates.
11

12 34. The rates to be ultimately charged by Applicant will be heavily influenced by the
13 market. Because of the nature of the competitive market and other factors, a fair value analysis is
14 not necessarily representative of Applicant's operations.
15

16 35. Staff's recommendations, as set forth herein, are reasonable.

17 36. Applicant's fair value rate base is determined to be zero for purposes of this
18 proceeding.
19

20 CONCLUSIONS OF LAW

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

23 2. The Commission has jurisdiction over Applicant and the subject matter of the
24 application.

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

26 4. A.R.S. § 40-282 allows a telecommunications company to file an application for a
27 CC&N to provide competitive telecommunications services.

28 5. Pursuant to Article XV of the Arizona Constitution, as well as the Arizona Revised

1 Statutes, it is in the public interest for Applicant to provide the telecommunications services set forth
2 in its application.

3 6. Applicant is a fit and proper entity to receive a CC&N authorizing it to provide
4 competitive facilities-based local exchange and long distance, AOS and private line
5 telecommunications services in Arizona as conditioned by Staff's recommendations.

6 7. The telecommunications services that Applicant intends to provide are competitive
7 within Arizona.

8 8. Pursuant to Article XV of the Arizona Constitution as well as the Competitive Rules,
9 it is just and reasonable and in the public interest for Applicant to establish rates and charges that are
10 not less than the Applicant's total service long-run incremental costs of providing the competitive
11 services approved herein.

12 9. Staff's recommendations, as set forth herein, are reasonable and should be adopted.

13 10. The maximum rates as set forth in Exhibit A and in Applicant's proposed tariffs are
14 just and reasonable and should be approved.

15 **ORDER**

16 IT IS THEREFORE ORDERED that the application of Charter Fiberlink AZ-CCVII, LLC for
17 a Certificate of Convenience and Necessity for authority to provide resold and facilities-based long
18 distance, resold and facilities-based local exchange, alternative operator services and private line
19 telecommunications services in Arizona shall be, and is hereby, granted, conditioned upon Charter
20 Fiberlink AZ-CCVII, LLC's timely compliance with the following two Ordering Paragraphs.

21 IT IS FURTHER ORDERED that Charter Fiberlink AZ-CCVII, LLC shall file with docket
22 control, as a compliance item in this case, within 365 days of this Decision or 30 days prior to the
23 commencement of service, whichever comes first, conforming tariffs for each service authorized
24 herein. The tariffs shall conform to the revised tariff pages filed on September 29, 2005 for its local,
25 interexchange and private line services, and shall conform to the maximum rates set forth in Exhibit
26 A, attached hereto, for its AOS services. The resold interexchange tariffs shall state that Charter
27 Fiberlink AZ-CCVII, LLC does not collect advances, deposits, or prepayments from its resold
28 interexchange customers.

1 IT IS FURTHER ORDERED that Charter Fiberlink AZ-CCVII, LLC shall file with docket
2 control, as a compliance item in this case, within 365 days from the effective date of this Decision or
3 30 days prior to the commencement of service, whichever comes first, proof that it has procured a
4 performance bond equal to \$225,000.

5 IT IS FURTHER ORDERED that if Charter Fiberlink AZ-CCVII, LLC fails to meet the
6 timeframes outlined in the Ordering Paragraphs above, the Certificate of Convenience and Necessity
7 conditionally granted herein shall become null and void.

8 IT IS FURTHER ORDERED that if at some future date Charter Fiberlink AZ-CCVII, LLC
9 wishes to collect advances, deposits, or prepayments from its resold interexchange customers, Charter
10 Fiberlink AZ-CCVII, LLC shall file an application for Commission approval. Such application shall
11 reference this Decision and explain Charter Fiberlink AZ-CCVII, LLC's plans for procuring an
12 additional performance bond in the amount of \$10,000.

13 IT IS FURTHER ORDERED that Charter Fiberlink AZ-CCVII, LLC shall comply with all of
14 the Staff recommendations set forth in Findings of Fact No. 29.

15 IT IS FURTHER ORDERED that if at some future date Charter Fiberlink AZ-CCVII, LLC
16 wishes to increase its maximum rates or service charges for AOS services, Charter Fiberlink AZ-
17 CCVII, LLC shall file a tariff setting forth the proposed new maximum rates, not to exceed the
18 maximum rates of the five major carriers, and shall include with its filing an estimate of the value of
19 Charter Fiberlink AZ-CCVII, LLC's plant to serve Arizona customers and all information required
20 by A.A.C. R14-2-1110.

21 IT IS FURTHER ORDERED that in the event Charter Fiberlink AZ-CCVII, LLC intends to
22 discontinue service and fails to notify each of its customers and the Commission at least 60 days prior
23 to filing an application to discontinue service pursuant to A.A.C. R14-2-1107, Charter Fiberlink AZ-
24 CCVII, LLC's performance bond shall be forfeited.

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1 IT IS FURTHER ORDERED that the services Charter Fiberlink AZ-CCVII, LLC is
2 authorized to provide herein are hereby classified as competitive.

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

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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7 CHAIRMAN

COMMISSIONER

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11 COMMISSIONER

COMMISSIONER

COMMISSIONER

12
13 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
14 Director of the Arizona Corporation Commission, have
15 hereunto set my hand and caused the official seal of the
16 Commission to be affixed at the Capitol, in the City of Phoenix,
17 this ____ day of _____, 2006.

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20 BRIAN C. McNEIL
21 EXECUTIVE DIRECTOR

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DISSENT _____

1 SERVICE LIST FOR:

CHARTER FIBERLINK AZ-CCVII, LLC

2 DOCKET NO.:

T-04260A-04-0383

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4 ROSHKA DeWULF & PATTEN
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13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 Ernest Johnson, Director
16 Utilities Division
17 ARIZONA CORPORATION COMMISSION
18 1200 West Washington Street
19 Phoenix, Arizona 85007

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Schedule 1

**Alternative Operator Services
Maximum InterLata Usage Charges**

Mileage Band	Day Time (a)		Evening/Holiday (b)		Night/Weekend (c)	
	First Minute	Addtl. Minute	First Minute	Addtl. Minute	First Minute	Addtl. Minute
0-10	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
11-16	0.4000	0.3000	0.3000	0.3000	0.3000	0.3000
17-22	0.4000	0.3000	0.3000	0.3000	0.3000	0.3000
23-30	0.4500	0.3000	0.3135	0.3000	0.3000	0.3000
31-40	0.5065	0.3000	0.3135	0.3000	0.3000	0.3000
41-55	0.5307	0.3332	0.3135	0.3000	0.3000	0.3000
56-70	0.5560	0.3732	0.3590	0.3000	0.3000	0.3000
71-124	0.5560	0.3865	0.3590	0.3000	0.3000	0.3000
125-196	0.5560	0.4265	0.3590	0.3000	0.3000	0.3000
197-292	0.5560	0.4799	0.3590	0.3000	0.3000	0.3000
293 & Over	0.5800	0.4820	0.3908	0.3000	0.3000	0.3000

Rate Periods

- (a) Day time is Monday through Friday 8:00 a.m. to 5 p.m.
- (b) Evening/Holiday is Sunday through Friday 5:00 p.m. to 11:00 p.m.
Officially recognized holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day. Evening rates are applicable during all holiday hours, except for hours when a lower rate (i.e. Night/Weekend) is applicable.
- (c) Night/Weekend is Sunday through Thursday 11:00 p.m. to 8:00 a.m., 11:00 p.m. Friday through 5:00 p.m. Sunday.

**Alternative Operator Services
Maximum InterLata Services Charges**

Service (1) (2)	Maximum Charge
Customer Dialed Calling or Credit Card	\$1.50
Operator Dialed Calling or Credit Card	\$2.50
Station - to - Station Collect	\$2.33
Person - to - Person Collect	\$4.66
Third Party Person - to - Person	\$4.66
Third Party Station - to Station	\$2.33
Person - to - Person	\$4.50
Station - to - Station	\$3.50
Directory Assistance	\$2.00

- (1) An Operator Dialed Surcharge of \$2.00 will be applied to an end user who has the capability to call, but requests the operator to do so instead. In accordance with A.A.C. R14-2-1005, end users shall be informed of this charge before call completion. This surcharge will not be imposed in cases of equipment failure or where the end user is experiencing a disability.
- (2) A Property Surcharge, Subscriber Surcharge or Location Specific Charge may be added to all operator assisted calls completed from Company subscriber locations. This surcharge will appear on the customer's bill and will be capped at \$1.00 per call; all of this surcharge will be remitted to the aggregator; however, this surcharge will not be collected by the Company if the aggregator is also collecting a surcharge.

Company _____
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Schedule 2

**Alternative Operator Services
Maximum IntraLata Usage Charges**

Mileage Band	Day Time (a)		Evening/Holiday (b)		Night/Weekend (c)	
	First Minute	Addtl. Minute	First Minute	Addtl. Minute	First Minute	Addtl. Minute
0-10	0.3000	0.3000	0.3000	0.3000	0.3000	0.3000
11-16	0.4000	0.3000	0.3000	0.3000	0.3000	0.3000
17-22	0.4000	0.3000	0.3000	0.3000	0.3000	0.3000
23-30	0.4500	0.3000	0.3135	0.3000	0.3000	0.3000
31-40	0.4500	0.3000	0.3135	0.3000	0.3000	0.3000
41-55	0.4500	0.3000	0.3135	0.3000	0.3000	0.3000
56-70	0.5200	0.3300	0.3590	0.3000	0.3000	0.3000
71-124	0.5200	0.3300	0.3590	0.3000	0.3000	0.3000
125-196	0.5300	0.3600	0.3590	0.3000	0.3000	0.3000
197-292	0.5800	0.3600	0.3590	0.3000	0.3000	0.3000
293 & Over	0.5800	0.3800	0.3980	0.3000	0.3300	0.3000

Rate Periods

- (a) Day time is Monday through Friday 8:00 a.m. to 5 p.m.
- (b) Evening/Holiday is Sunday through Friday 5:00 p.m. to 11:00 p.m.
Officially recognized holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day. Evening rates are applicable during all holiday hours, except for hours when a lower rate (i.e. Night/Weekend) is applicable.
- (c) Night/Weekend is Sunday through Thursday 11:00 p.m. to 8:00 a.m., 11:00 p.m. Friday through 5:00 p.m. Sunday.

**Alternative Operator Services
Maximum IntraLata Services Charges**

Service (1) (2)	Maximum Charge
Customer Dialed Calling or Credit Card	\$1.50
Operator Dialed Calling or Credit Card	\$2.50
Station - to - Station Collect	\$2.30
Person - to - Person Collect	\$4.50
Third Party Person - to - Person	\$4.50
Third Party Station - to Station	\$2.30
Person - to - Person	\$4.50
Station - to - Station	\$3.50
Directory Assistance	\$2.00

- (1) An Operator Dialed Surcharge of \$2.00 will be applied to the capability to call, but requests the operator to do so instead. In accordance with A.A.C. R14-2-1005, end users shall be informed of this charge before call completion. This surcharge will not be imposed in cases of equipment failure or where the end user is experiencing a disability.
- (2) A Property Surcharge, Subscriber Surcharge or Location Specific Charge may be added to all operator assisted calls completed from Company subscriber locations. This surcharge will appear on the customer's bill and will be capped at \$1.00 per call; all of this surcharge will be remitted to the aggregator; however, this surcharge will not be collected by the Company if the aggregator is also collecting a surcharge.

Company _____
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