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MEMORANDUM

RECEIVED

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TO: Lori Miller
Programs & Projects Specialist
Utilities Division

2006 FEB -2 P 2:23

FROM: John Bostwick *JB*
Administrative Service Officer
Utilities Division

AZ CORP COMMISSION
DOCUMENT CONTROL

DATE: February 2, 2006

RE: SBC Long Distance, LLC d/b/a SBC Long Distance.
Docket No. T-03346A-04-0911 Decision No. 67827
T-03811A-04-0911

On February 2, 2006, Staff received a copy of SBC Long Distance, LLC d/b/a SBC Long Distance's ("SBC" or "Company") ACC Tariff No. 7 bearing an effective date of February 28, 2006.

The Advise Letter that SBC initially sent referred to docket number 03-0844 and ACC Tariff No. 7 has been corrected by SBC to 04-0911 and ACC Tariff No. 8. See attached e-mail and advise letter relating to SBC's filing of revisions to ACC Tariff No. 8.

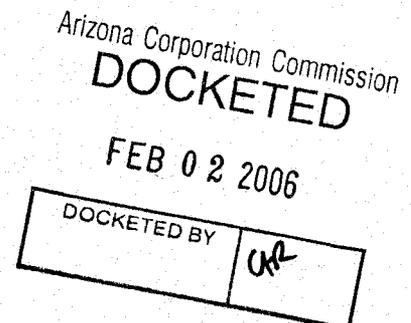
Staff reviewed the revisions to SBC's ACC Tariff No. 8 bearing an effective date of February 28, 2006. This tariff filing proposed several changes: (1) revisions to Technical Terms or Abbreviations; (2) revisions to deposit language as required by Arizona Administrative Code R14-2-503 B (6) a. and b; and (3) deletion of ICB language. SBC's proposed revisions cover all of Staff's recommendations addressed to you in a memorandum dated November 29, 2005. Attached is a copy of the November 29, 2005 memorandum.

As indicated in the memorandum, Staff sent its first set of data request to SBC as **Attachment A**. SBC responded to Staff's first set of data requests on January 30, 2006. A copy of SBC's answers to Staff's questions is attached. Since some of the responds refer to exhibits that were marked confidential, Staff did not attach a copy of confidential material in Exhibit 2, 3, and 4 to this memorandum.

Staff recommends that SBC's proposed tariff revisions to ACC Tariff No. 8 be filed with the effective date of February 28, 2006.

CC: Docket Control (Original and Thirteen Copies)

Attachments (11)





Denise Davila
Associate Director-Regulatory

DIRECTOR

SBC Telecom, Inc.
1010 N. St. Mary's Street
Room 13-28
San Antonio, TX 78215
Phone: 210-246-8754
Fax: 210-246-8759
Email: dd1320@sbc.com

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2006 JAN 30 P 3:53

AZ CORP COMMISSION
DOCUMENT CONTROL

January 30, 2006

Brian McNeil, Executive Secretary
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2996

RE: Docket No. T-03346A-03-0844-, SBC Long Distance, LLC d/b/a SBC Long Distance.

Mr. McNeil:

Enclosed please find an original and thirteen copies of revisions to the SBC Long Distance LLC, d/b/a SBC Long Distance, Local Exchange Services Tariff, ACC Tariff No. 7.

This tariff filing proposes several changes: (1) Revisions to Technical Terms or abbreviations; (2) Revisions to deposit language as required by A.A.C. rule R14-2-503 B (6) a. and b (3) Deleted ICB language

We request an effective date of February 28, 2006. Please call me if you have any questions or need additional information.

Sincerely,

Denise Davila

Attachments

John-

2-1-06

Here are the items I received from SBC. Let me know if I can file the tariff...

LORI

John Bostwick

From: DAVILA, DENISE M (SBCSI) [dd1320@att.com]
Sent: Thursday, February 02, 2006 10:28 AM
To: John Bostwick
Subject: Corrected Arizona Advice Letters

Attachments: 1-13-06 Transmittal Letter AZ Access.doc; 1-13-06 Transmittal Letter AZ Local Exchange.doc



1-13-06



1-13-06

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<<1-13-06 Transmittal Letter AZ Access.doc>> <<1-13-06
Transmittal Letter AZ Local Exchange.doc>>

Denise Davila
Associate Director - Regulatory Relations AT&T Services, Inc.
Ofc - 210 -246-8754
Fax - 210 -246-8759



Denise Davila
Associate Director-Regulatory

SBC Telecom, Inc.
1010 N. St. Mary's Street
Room 13-28
San Antonio, TX 78215
Phone: 210-246-8754
Fax: 210-246-8759
Email: dd1320@sbc.com

January 30, 2006

Brian McNeil, Executive Secretary
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2996

RE: Docket No. T-03346A-04-0911-, SBC Long Distance, LLC d/b/a SBC Long Distance.

Mr. McNeil:

Enclosed please find an original and thirteen copies of revisions to the SBC Long Distance LLC, d/b/a SBC Long Distance, Intrastate Access Services Services Tariff, ACC Tariff No. 8.

This tariff filing proposes several changes: (1) Revisions to Technical Terms or abbreviations; (2) Revisions to deposit language as required by A.A.C. rule R14-2-503 B (6) a. and b (3) Deleted ICB language

We request an effective date of February 28, 2006. Please call me if you have any questions or need additional information.

Sincerely,

Denise Davila

Attachments

MEMORANDUM

TO: Lori Miller
Programs & Projects Specialist
Utilities Division

FROM: John Bostwick
Administrative Service Officer
Utilities Division

DATE: November 29, 2005

RE: SBC Long Distance, LLC d/b/a SBC Long Distance.
Docket No. T-03346A-04-0911 Decision No. 67827

On May 6, 2005, Staff received a copy of SBC Long Distance, LLC d/b/a SBC Long Distance's ("SBC" or "Company") Tariff No. 8 bearing an effective date of June 3, 2005. The Advise Letter No. 182 from SBC's Legal Representative, Gary L. Lane submitting SBC's Tariff No. 8 was dated May 5, 2005. The yellow "TARIFF COMPLIANCE" form from Lori Miller requests that Staff review the tariff for compliance purposes and contact the Company to correct any deficiencies and recommend they make a re-filing through Docket Control.

Staff reviewed the effective date of Decision No. 67827 and the effective date SBC's proposed tariff to be filed with the Arizona Corporation Commission ("Commission"). SBC submitted its proposed tariff within the effective date ordered by Decision No. 67827.

The contents of SBC's proposed tariff are addressed in four Sections consisting of 61 pages. Staff reviewed four Sections of the tariff but did not review every numbered item in each Section. Staff is not aware of every numbered item in SBC's tariff that agrees or conflicts with every regulation established in the Arizona Administrative Code ("A.A.C.") rules. Also, Staff is unable to verify that every regulation in each Section of the Articles related to telecommunications in the A.A.C. rules is captured in SBC's proposed tariff. However, Staff is aware that SBC has deficiencies in its proposed tariff that need to be corrected for compliance purposes.

The following lists for each technical term or abbreviation found in SBC's tariff and the A.A.C. rules, the A.A.C. rule number that defines the technical term or abbreviation approved by the Commission:

<u>Technical Term or Abbreviation</u>	<u>A.A.C. Rule Number</u>
Access Code	R14-2-1001 item number 1
Applicant	R14-2-501 item number 2
Commission	R14-2-1102 item number 1
Customer	R14-2-501 item number 9
E911	R14-2-1302 item number 7
Interexchange Carrier" ("IXC")	R14-2-1001 item number 11

LATA	R14-2-1001 item number 13
Line Information Data Base" ("LIDB")	R14-2-1302 item number 12
Local Exchange Carrier" ("LEC")	R14-2-1302 item number 13
Premises	R14-2-501 item number 14
Rate Center	R14-2-1302 item number 19

Staff recommends that SBC use the same definition for each technical term or abbreviations as those listed by the corresponding A.A.C. rule number. This will help to ensure terms and abbreviations approved by the Commission are used in SBC's tariff.

Under the Regulations Section of the Company's tariff, Staff examined the Deposits item number 2.7 on page 27. The item states that "...deposits will be in cash or the equivalent of cash up to an amount equal to the applicable installation charges, if any, and/or up to three months' actual or estimated usage charges for Service to be provided."

According to A.A.C. rule R14-2-503 B (6) a. and b., the amount of deposits required by the utility shall not exceed two times the residential customer's estimated average monthly bill. For nonresidential customer, deposits shall not exceed 2.5 times that customer's estimated maximum monthly bill.

Staff recommends that SBC revise the language in its proposed tariff to match the language in R14-2-503 B (6) a. and b. This will help ensure that all customers pay the appropriate amount of deposit required in Arizona.

Staff reviewed the tariff for individual case basis ("ICB") rates and charges to provide telecommunications services. In the Application of the Tariff Section, it states on page 5 item F. that "The Company will provide services requested by the Customers which are not included in this Tariff, depending on equipment and facility availability and economic considerations. Pricing for these Services will be accomplished on an Individual Case Basis or a Customer specific contract." Also, on page 47 of the Company's proposed tariff, it indicated that "All Services for which rates are applied on an Individual Case Basis are provided with a Negotiated Interval." Staff was unable to determine from the tariff, if SBC intends to use maximum rates for these services. If SBC intends to use maximum rates for these services, then it needs to identify maximum rates in its tariff. If SBC does not intend to use maximum rates, then SBC needs to be aware that its current rates will be considered maximum rates. Rates defined in a tariff "... as to be determined on an individual case basis" is not acceptable by the Commission. A range of rates that show maximum rate and minimum rate for each ICB services needs to be listed in SBC's tariff.

Based on Staff's review of "ICB" rates in the tariff, Staff recommends SBC indicate actual rates in its tariff. SBC needs to determine if it will use maximum rates. If maximum rates are used, then the rates need to be listed as maximum rates in SBC's tariff. If maximum rates are not used, then its current rates will be considered as maximum rates. A range of rates that show maximum rate and minimum rate for each "ICB" service needs to be listed in SBC's Tariff No. 8.

Attachment A is Staff's first set of data requests to SBC. Answers to these data requests will provide support for SBC's calculation of actual maximum and actual minimum rates and range of rates in its proposed Tariff No. 8. SBC needs to answer all seven data requests in **Attachment A** on page 4 of this memorandum.

Staff recommends that SBC revise its tariff with Staff's recommended changes and file the revised tariff (original and thirteen (13) copies) through Docket Control at the Arizona Corporation Commission. Responses to the data requests in **Attachment A** should be sent to John Bostwick, Telecommunications and Energy, Utilities Division at the Arizona Corporation Commission.

Staff has contacted Mr. Norman W. Descoteaux, SBC Long Distance, by e-mail to inform him of the revisions that need to be made SBC's proposed tariff and the need to respond to Staff's data request. Attachment of this memorandum to the e-mail will enable Norman W. Descoteaux of the concerns and deficiencies that need to be addressed in SBC's proposed tariff.

Attachment A

Please make sure each numbered item and each part of the item is answered completely. If it is not, Staff will resubmit the numbered item(s) and/or part(s) of the item in a following data request. In order for Staff to continue with its review of your proposed tariff, the following information must be submitted to support the calculation of actual maximum and actual minimum rates and range of rates:

- JFB 1-1. Please submit a PDF file of your responses to this data request to jbostwick@cc.state.az.us.
- JFB 1-2. Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariffs for each of your services.
- JFB 1-3. Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis needs to contain publicly available examples of rates charged by the incumbent or other carriers for similar services or any other information that you believe demonstrates that your actual rates are just and reasonable. Please include any supporting materials. For a list of telecommunications carriers certificated in Arizona, go to www.cc.state.az.us/utility/utility for a list of Commission-approved telecommunications rates and tariffs, go to www.cc.state.az.us/utility/tariffs.
- JFB 1-4. Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.
- JFB 1-5. Please submit a complete tariff setting forth your rates and charges.
- JFB 1-6. Please identify any other jurisdictions in which your company or an affiliate provides similar services. Please specify the rates that your company and/or affiliate charges for these similar services in these other jurisdictions. If there is a difference between the rates that your company will charge in Arizona and the rates that your company and/or affiliate charges in other jurisdictions for similar services: please identify and indicate the amount of the difference and explain why you are charging different rates in Arizona.
- JFB 1-7. Please identify any other jurisdictions in which your company or an affiliate is applying to provide similar services. Please specify the rates that your company and/or affiliate will charge for these similar services in these other jurisdictions. If there is a difference between the rates that your company charges in Arizona and the rates that your company and/or affiliate will charge in other jurisdictions for similar services, please identify and indicate the amount of the difference and explain why you intend to charge different rates in Arizona.



Denise Davila
Associate Director-Regulatory

SBC Telecom, Inc.
1010 N. St. Mary's Street
Room 13-28
San Antonio, TX 78215
Phone: 210-246-8754
Fax: 210-246-8759
Email: dd1320@sbc.com

January 30 , 2006

John Bostwick
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007-2996

**RE: Docket No. T-03346A-04-0911 Decision No. 67827, SBC Long Distance, LLC
d/b/a SBC Long Distance.**

Mr. Bostwick:

Enclosed please find replies to Attachment A of your memorandum dated November 29, 2005 regarding SBC Long Distance, LLC d/b/a SBC Long Distance Docket No. T-03346A-04-0911 Decision No. 67827.

We have combined responses to questions pertaining to tariffs Local Exchange Services Tariff No. 7 and Intrastate Access Services Tariff No. 8 on one response.

Please call me if you have any questions or need additional information.

Sincerely,

Denise Davila

Attachments

Attachment A

JFB 1-1. Please submit a PDF file of your responses to this data request to jbostwick@cc.state.az.us .

Response: SBC Long Distance, LLC (SBCLD) will provide responses as requested.

JFB 1-2. Please explain how your company calculated the actual maximum and actual minimum rates that will be contained in your tariffs for each of your services.

Response: SBCLD does not list "minimum rates" in its tariff. SBCLD provides actual rates in its tariff. The maximum rates were established by doubling the initial actual rates. The relationship on specific rates may no longer be 2-to-1 as actual rates for certain services have been changed since they were initially established.

JFB 1-3. Please indicate why you believe that your range of rates is just and reasonable using a competitive market analysis. Your analysis needs to contain publicly available examples of rates charged by the incumbent or other carriers for similar services or any other information that you believe demonstrates that your actual rates are just and reasonable. Please include any supporting materials. For a list of telecommunications carriers certificated in Arizona, go to www.cc.state.az.us/utility/utility for a list of Commission-approved telecommunications rates and tariffs, go to www.cc.state.az.us/utility/tariffs .

Response: The requested competitive marketing analysis is not available. However, information responsive to this request is provided in Exhibit 1.

JFB 1-4. Please indicate why you believe that your range of rates is just and reasonable using a fair value or cost basis. Please include economic justification or cost support data. Please include any supporting materials.

Response: The requested fair value or cost basis analysis is not available. However, our range of rates are just and reasonable because they are market based. Please refer to Exhibit 1 for a comparison of rates between SBC and Qwest.

JFB 1-5. Please submit a complete tariff setting forth your rates and charges.

Response: See attached SBC Long Distance, LLC d/b/a SBC Long Distance Local Exchange Services and Intrastate Access Services tariff.

Respondent: Denise Davila – Associate Director, Regulatory Relations

JFB 1-6. Please identify any other jurisdictions in which your company or an affiliate provides similar services. Please specify the rates that your company and/or affiliate charges for these similar services in these other jurisdictions. If there is a difference between the rates that your company will charge in Arizona and the rates that your company and/or affiliate charges in other jurisdictions for similar services: please identify and indicate the amount of the difference and explain why you are charging different rates in Arizona.

Response: As the Arizona Commission is aware, SBC Long Distance's parent company and AT&T recently merged, resulting in AT&T becoming an affiliate of SBC Long Distance. AT&T offers a variety of Voice and Data products and services throughout the United States and the world, and undoubtedly has some products and services in some areas that are similar to SBC Long Distance. Due to the fact that the merger integration process has just begun, SBC Long Distance does not have comprehensive information about the specific products and rates that AT&T may offer in Arizona and elsewhere at this time. If the Commission is interested it would be more expedient to contact AT&T directly as a separate operating entity in the state of Arizona.

JFB 1-7. Please identify any other jurisdictions in which your company or an affiliate is applying to provide similar services. Please specify the rates that your company and/or affiliate will charge for these similar services in these other jurisdictions. If there is a difference between the rates that your company charges in Arizona and the rates that your company and/or affiliate will charge in other jurisdictions for similar services, please identify and indicate the amount of the difference and explain why you intend to charge different rates in Arizona.

Response: As the Arizona Commission is aware, SBC Long Distance's parent company and AT&T recently merged, resulting in AT&T becoming an affiliate of SBC Long Distance. AT&T offers a variety of Voice and Data products and services throughout the United States and the world, and undoubtedly has some products and services in some areas that are similar to SBC Long Distance. Due to the fact that the merger integration process has just begun, SBC Long Distance does not have comprehensive information about the specific products and rates that AT&T may offer in Arizona and elsewhere at this time. If the Commission is interested it would be more expedient to contact AT&T directly as a separate operating entity in the state of Arizona.

Respondent: Denise Davila – Associate Director, Regulatory Relations

Access Advantage Plus

Access Advantage Plus is a Voice Trunking option to SBC's T1 IAS (integrated access service) enterprise product. SBC T1 IAS and Access Advantage Plus is not offered by other carriers other than SBC, therefore, there is no competitive comparable service feature.

Access Advantage Plus is a retail for the same rate as it does nationally - it is rate integrated with SBCLD Interstate filing.

The cost basis of Access Advantage Plus is not based on Arizona-specific details.

Digital Transport Service (DTS)

SBC Long Distance tarrified DTS in July 2005. Prior to this, SBC Long Distance had three ICB'd customers with this service. Since there are no tariffed DTS customers, we are discontinuing this service and pricing is longer applicable.

Local Exchange Services

Local Exchange rates were based on a comparison to Qwest rates. See attached Exhibit 2

PRI-ISDN

The comparison of the PRI-ISDN rates with Qwest is attached as Exhibit 3

Private Line

SBC Long Distance currently has no Private Line customers therefore we are discontinuing this service and pricing is no longer applicable.

SBC PremierSERV Frame Relay

A comparison of the listed rates between SBC PremierSERV/Frame Relay and Qwest Frame Relay services is attached as Exhibit 4. Rates were developed to establish standard pricing nationwide using market based pricing based on national averages for like services.

Switched Access Rates

Our intrastate access rates mirror the Qwest switched access rates.