



0000041929

ORIGINAL

RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

1
2 JIM IRVIN
Commissioner
3 WILLIAM A. MUNDELL
Commissioner
4 MARC SPITZER
Commissioner
5

DOCKETED

JAN 04 2001

JAN 04 2001

AT CORP COMMISSION
SECURITY CONTROL

STY

6 IN THE MATTER OF THE APPLICATION OF) DOCKET NO. T-03616A-98-0486
7 NETWORK INTERNATIONAL, LC FOR A)
8 CERTIFICATE OF CONVENIENCE AND) STAFF'S FAIR VALUE RATE
9 NECESSITY TO PROVIDE COMPETITIVE) BASE COMMENTS
10 INTRASTATE TOLL TELECOMMUNICATIONS)
11 SERVICES AS A RESELLER, EXCEPT LOCAL)
12 EXCHANGE SERVICES.)

11 On September 21, 2000 Network International, LC ("Applicant") filed a response to the
12 September 12, 2000 Procedural Order's requirement that the Applicant file Fair Value Rate Base
13 ("FVRB") information in support of its application for a Certificate of Convenience and Necessity
14 ("CC&N). The Applicant is currently providing service in Arizona. The September 12, 2000
15 Procedural Order ordered the Utilities Division Staff ("Staff") to file disagreements with the
16 proposed FVRB and/or rates and changes with in 60 days of the Procedural Order.¹ Staff hereby
17 files its comments as required by the September 12, 2000 Procedural Order.

18 Because the information filed by the Applicant did not provide sufficient information, Staff
19 cannot make an analysis and recommendation for a fair value finding in this case.

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

- 25 1. A dollar amount representing the total revenue for the first twelve months of
26 telecommunications service provided to Arizona customers by the Applicant following
certification, adjusted to reflect the **maximum rates** that the Applicant has requested in

27
28 ¹ The September 12, 2000 Procedural Order also ordered Staff to review the FVRB information
filed and ascertain that the Applicant is utilizing the appropriate amount of depreciation and capital
carrying costs in determining its total service long-run incremental costs.

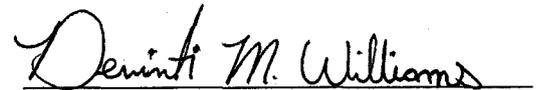
1 its tariff. This adjusted total revenue figure could be calculated as the number of units
2 sold for all services offered times the maximum charge per unit;

3 2. The total actual **operating expenses** for the first twelve months of
4 telecommunications service provided to Arizona customers by the Applicant following
5 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
9 office equipment and office supplies should be included in this list.

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

17 RESPECTFULLY SUBMITTED this 4th day of January, 2001.

18 
19 Devinti M. Williams
20 Arizona Corporation Commission
21 Attorney, Legal Division
22 1200 West Washington Street
23 Phoenix, Arizona 85007
24 (602) 542-3402

25 The original and fifteen copies
26 of the foregoing filed this 4th day
27 of January, 2000, with:

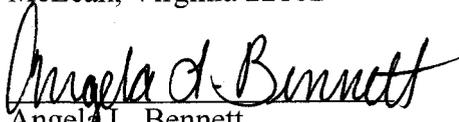
28 Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Copy of the foregoing was
mailed this 4th day of
January, 2001 to:

Mark Sandler, President
Network International, LC
1300 Piccard Drive, Suite 202
Rockville, Maryland 20850-4303

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Harisha Bastiampillai
The Helein Law Group, PC
8180 Greensboro Drive, Suite 700
McLean, Virginia 22102


Angela L. Bennett