



0000052645

192

Bi

ION COMMISSION  
RECEIVED

1 WILLIAM A. MUNDELL  
2 Chairman

Arizona Corporation Commission

3 JIM IRVIN

Commissioner

DOCKETED

2002 JUL 17 A 10:48

4 MARC SPITZER

Commissioner

JUL 17 2002

AZ CORP COMMISSION  
DOCUMENT CONTROL

DOCKETED BY

*CMC*

5 IN THE MATTER OF THE  
6 APPLICATION OF XO  
7 COMMUNICATIONS, INC  
8 FOR A GENERAL WAIVER OF RULES  
9 GOVERNING PUBLIC UTILITY  
10 HOLDING COMPANIES AND  
11 AFFILIATED INTERESTS

DOCKET NO. T-03601A-01-0965

12  
13 IN THE MATTER OF THE APPLICATION  
14 OF XO ARIZONA, INC. AND  
15 AFFILIATES FOR EXPEDITED  
16 APPROVAL OF TRANSACTION

DOCKET NO. T-03775A-02-0389

MOTION TO CONSOLIDATE

17 On December 11, 2001, XO Communications, Inc. ("XO") filed an application for a  
18 waiver of the Commission's Affiliate Interest Rules, A.A.C. R14-2-801 et seq. ("the waiver  
19 docket"). XO is the parent of XO Arizona, Inc. ("XO Arizona") and XO Long Distance, Inc.  
20 ("XO Long Distance"), two companies with Certificates of Convenience & Necessity issued by  
21 the Commission. On January 31, 2002, in Decision 64399, the Commission suspended the  
22 filing. Staff filed a Staff Report on March 9, 2002. On May 14, 2002, the waiver request was  
23 heard at an Open Meeting of the Commission. The Commission expressed concern about the  
24 Recommended Opinion & Order and allowed the matter to be removed from the agenda so that  
25 XO could address these concerns.

26 On May 23, 2002, XO filed an application to approve the proposed restructuring and  
27 recapitalization of XO, Docket NO. T-03775A-02-0389 and T-030601A-02-0389 ("the  
28 restructuring docket"). On June 27, 2002, XO filed a Supplemental Application in the  
restructuring docket. On July 10, 2002, XO filed recommended revised language for a waiver,  
based on a prior waiver granted to US West (nka Qwest).

Because the two applications present related issues, Staff concludes that it is appropriate  
to consolidate the waiver document and the reconstructing docket. Staff intends to file an

1 amended Staff Report in this matter on an expedited basis. Lastly, given the anticipated closing  
2 date, Staff recommends that the Commission expedite the processing of these applications.

3  
4 RESPECTFULLY SUBMITTED this 17<sup>th</sup> day of July, 2002.

5  
6  
7   
8 Timothy J. Sabo  
9 Attorney, Legal Division  
10 Arizona Corporation Commission  
11 1200 West Washington Street  
12 Phoenix, Arizona 85007  
13 (602) 542-3402

14 The original and ten (10) copies of the foregoing  
15 were filed this 17<sup>th</sup> day of July, 2002 with:

16 Docket Control  
17 Arizona Corporation Commission  
18 1200 West Washington Street  
19 Phoenix, Arizona 85007

20 Copies of the foregoing were mailed/hand-delivered  
21 this 17<sup>th</sup> day of July, 2002 to:

22 Andrew D. Hurwitz, Esq.  
23 Joan S. Burke, Esq.  
24 Osborn Maledon, P.A.  
25 2929 North Central Avenue, Suite 2100  
26 Phoenix, Arizona 85012-2794

Ernest G. Johnson  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

27 James J. Freeman, Esq.  
28 Kelley Drye & Warren, LLP.  
1200 19<sup>th</sup> Street, NW Suite 500  
Washington, DC 20036

Mr. Christopher C. Kempley  
Chief Counsel  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

29   
30 Assistant to Timothy J. Sabo