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COMMISSIONERS

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AZ CORP COMMISSION  
DOCUMENT CONTROL

T-02428A-06-0443

IN THE MATTER OF THE APPLICATION OF  
AT&T COMMUNICATIONS OF THE  
MOUNTAIN STATES, INC. TO REFUND  
OVERCHARGES FOR DIRECTORY  
ASSISTANCE

DOCKET NO. T-02428A- - -

APPLICATION

GALLAGHER & KENNEDY, P.A.  
2575 E. CAMELBACK ROAD  
PHOENIX, ARIZONA 85016-9225  
(602) 530-8000

AT&T Communications of the Mountain States, Inc. ("AT&T Mountain States")  
submits this Application for approval of the method of refunding to business customers  
amounts that were inadvertently overcharged for directory assistance. In support of its  
Application, AT&T Mountain States states as follows:

1. In 2001, AT&T Mountain States on behalf of Teleport Communications  
Group of Phoenix ("TCG Phoenix") filed an application to increase TCG's maximum  
rate for directory assistance from \$0.35 to \$0.85. The Commission approved the increase  
in Decision No. 64344 dated January 15, 2002.

2. Subsequently, AT&T Mountain States started charging the rate the  
Commission had approved for TCG Phoenix, not realizing that its authorized maximum  
rate for directory assistance was \$0.75, not the \$0.85 rate which had been approved for  
TCG Phoenix.

3. Upon discovery of the mistake, AT&T Mountain States promptly reduced  
its rate to the \$0.47 rate which had been charged prior to the increase. It also advised

1 Staff of the overcharge earlier this year and its efforts to develop a fair and accurate  
2 refund method.

3 4. Several credit and refund alternatives have been examined. Ideally,  
4 refunds would be made based upon actual billing records for the affected business  
5 customers. However, billing records covering the complete time period from 2002 to  
6 2005 are not available. AT&T has gathered data from records that are available. Using  
7 that data, AT&T will provide a proportional credit of the amount overcharged based on  
8 average volumes of directory assistance calls made by customers.

9 5. Based on that analysis, AT&T Mountain States has developed the  
10 following credits to be applied to customer accounts in order to refund the overcharge:

Average Number of DA Calls per month during study period	One-time credit to be posted on customer's account
1 – 5	\$ 81.00
6 – 10	\$215.00
11 – 21	\$403.00

14  
15 The credits have been designed to return the full amount of the overcharge of  
16 approximately \$247,000. Using the available data, AT&T has also identified business  
17 customers which have since left the system. Checks will be issued to each of them based  
18 upon the same methodology.

19 6. Communications concerning this Application should be directed to:

20 Daniel Foley  
21 AT&T Services, Inc.  
22 645 East Plumb Lane, B132  
23 P.O. Box 11010  
24 Reno, Nevada 89520  
Phone: (775) 333-4321

1 Michael M. Grant  
2 Garry D. Hays  
3 Gallagher & Kennedy, P.A.  
4 2575 East Camelback Road  
5 Phoenix, Arizona 85016-9225  
6 Phone: (602) 530-8000

7 WHEREFORE, AT&T Mountain States respectfully requests that the  
8 Commission issue its Order approving the credits set forth above.

9 RESPECTFULLY SUBMITTED this 5<sup>th</sup> day of July, 2006.

10 GALLAGHER & KENNEDY, P.A.

11 By Michael M. Grant  
12 Michael M. Grant  
13 Garry D. Hays  
14 2575 East Camelback Road  
15 Phoenix, Arizona 85016-9225  
16 Attorneys for AT&T Communications of the  
17 Mountain States, Inc.

18 ORIGINAL and thirteen copies filed  
19 this 5<sup>th</sup> day of July, 2006, with:

20 Docket Control  
21 Arizona Corporation Commission  
22 1200 West Washington  
23 Phoenix, Arizona 85007

24 COPIES of the foregoing delivered  
this 5<sup>th</sup> day of July, 2006, to:

Administrative Law Judge Teena Wolfe  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

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