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MEMORANDUM

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TO: Lori Miller  
Programs & Projects Specialist  
Utilities Division

2006 AUG 24 A 10:15

FROM: John Bostwick  
Administrative Service Officer  
Utilities Division

*JB*

AZ CORP COMMISSION  
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Arizona Corporation Commission  
DOCKETED

DATE: August 24, 2006

AUG 24 2006

RE: Sprint Long Distance, Inc.  
Docket No. T-20443A-06-0112

Decision No. 68828

DOCKETED BY  
*NR*

On August 20, 2006, Staff received from the above Company, its re-filed Arizona Tariff C.C. No.1 bearing an effective date of August 5, 2006. The Company's tariff incorporates changes to definitions as recommended by Staff. Since the Company has not established mechanisms for assessing and processing customer deposits, reference related to deposits in Section 4.8 of its proposed tariff has been deleted and named "Reserved For Future Use". Consequently, the Company has not yet incorporated Staff's recommendations regarding the amount of deposits and the interest payments on deposits. The following paragraphs indicate the deposit recommendations Staff made to Sprint Long Distance, Inc. in the memorandum sent to you on August 2, 2006:

"According to A.A.C. rule R14-2-503B.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 a non-residential customer, deposits shall not exceed 2.5 times that customer's estimated maximum monthly bill. Staff recommends that Sprint revise the language in its proposed tariff to match the language in R14-2-503B.6.a. and b. The will help ensure that all customers pay the appropriate amount of deposit required in Arizona." and

"Rule A.A.C. R14-2-503B.3. clearly states that "Deposits shall be interest bearing; the interest rate and method of calculation shall be filed with and approved by the Commission in a tariff proceeding." Staff recommends that Sprint follow the requirements established in A.A.C. R14-2-503B.3. regarding the payment of interest on customer deposits. Also, Staff recommends that the amount of interest or interest rate to be paid on deposits should be listed in the tariff. This will help ensure all customer deposits are treated in a fair and equitable manner in Arizona."

Sprint Long Distance, Inc. did state that "Upon establishment of deposit requirements, the Company reserves the right to submit tariff revisions in compliance with the provisions of the Arizona Administrative Code." Since the Company did not indicate when it will establish its deposit requirements and/or submit its tariff revisions, Sprint Long Distance, Inc.'s tariff with an effective date of August 5, 2006 can be accepted as being in compliance.