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BEFORE THE ARIZONA CORPORATION COMMISSION

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JUN 18 2002

AZ CORP COMMISSION
DOCUMENT CONTROL

WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

DOCKETED BY	<i>CM</i>
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IN THE MATTER OF THE JOINT APPLICATION OF TOUCH AMERICA SERVICES, INC. AND TOUCH AMERICA, INC. FOR APPROVAL OF ASSIGNMENT OF ASSETS AND TRANSFER OF A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE INTRASTATE TELECOMMUNICATIONS SERVICES TO TOUCH AMERICA, INC. AND WAIVER OF CUSTOMER NOTIFICATION.

DOCKET NO. T-04011A-01-0303
DOCKET NO. T-03911A-01-0303

PROCEDURAL ORDER

BY THE COMMISSION:

On April 11, 2001, Touch America Services, Inc. ("TASI") filed an application for approval of the assignment of assets and transfer of its Certificate of Convenience and Necessity ("CC&N") to Touch America, Inc. ("Touch America"). TASI received a CC&N to provide resold, facilities-based interexchange telecommunications services, and alternative operator services in Arizona pursuant to Decision No. 62672 (June 30, 2000). On June 30, 2001, the transfer transaction closed and Touch America began serving Arizona customers. The Company currently serves approximately 28,000 customers in Arizona.

On April 15, 2002, Staff filed its Staff Report in this matter recommending approval of the application after a hearing, contingent on certain conditions. One of the conditions recommended by Staff is that Touch America should be required to procure a performance bond of \$100,000.

In order to have a complete record that reflects current Staff policy, Staff should file an amended Staff Report that contains the current Staff and Commission performance bond requirements. The amended Staff Report should also contain an evaluation of the fair value of the property that the Applicant currently uses, and that it proposes to use, to provide telecommunications services to Arizona customers.

IT IS THEREFORE ORDERED that Staff shall file an amendment to its Staff Report in this matter that includes a recommendation reflecting the current Staff and Commission performance

1 bond requirements and a recommended fair value finding. The amendment to the Staff Report shall
2 also include a recommendation to the Commission on how the fair value determination should be
3 used in consideration of this application.

4 IT IS FURTHER ORDERED that Touch America shall cooperate with Staff in timely
5 providing the information that Staff requires to prepare the above-ordered amendment to the Staff
6 Report.

7 IT IS FURTHER ORDERED that Staff shall file the above-ordered amendment to the Staff
8 Report by no later than August 2, 2002.

9 IT IS FURTHER ORDERED that Touch America shall file a response, if necessary, to the
10 amended Staff Report by no later than August 16, 2002.

11 IT IS FURTHER ORDERED that the hearing on the above application and petition of
12 Applicant shall commence on September 16, 2002, at 10:00 a.m., or as soon thereafter as is practical,
13 at the Commission's offices, 1200 West Washington Street, Phoenix, Arizona 85007.

14 IT IS FURTHER ORDERED that Applicant shall publish notice of its filing, as stated below,
15 in newspapers in every county in Arizona in which Applicant provides service by July 15, 2002 and
16 shall file Affidavits of Publication with the Commission no later than August 12, 2002.

17
18 **NOTICE OF APPLICATION AND HEARING FOR THE JOINT APPLICATION OF**
19 **TOUCH AMERICA SERVICES, INC. AND TOUCH AMERICA, INC. FOR**
20 **APPROVAL OF ASSIGNMENT OF ASSETS AND TRANSFER OF A**
21 **CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE**
22 **INTRASTATE TELECOMMUNICATIONS SERVICES TO TOUCH AMERICA,**
23 **INC. AND WAIVER OF CUSTOMER NOTIFICATION.**

24 On April 11, 2001, Touch America Services, Inc. ("TASI") filed an application
25 for approval of the assignment of assets and transfer of its Certificate of Convenience
26 and Necessity ("CC&N") to Touch America, Inc. ("Touch America"). TASI received
27 a CC&N to provide resold, facilities-based interexchange telecommunications
28 services, and alternative operator services in Arizona pursuant to Decision No. 62672
(June 30, 2000). On June 30, 2001, the transfer transaction closed and Touch America
began serving Arizona customers. The Company currently serves approximately
28,000 customers in Arizona.

The application, report of the Commission's Utilities Division Staff, and any
written exceptions to the staff report prepared by the applicant are available for
inspection during regular business hours at the offices of the Commission located at
1200 West Washington Street, Phoenix, Arizona 85007, and at Applicant, [address].

1 Under appropriate circumstances, interested parties may intervene in the
2 proceedings and participate as a party. You may have the right to intervene in the
3 proceeding, or you may make a statement for the record. Intervention shall be in
4 accordance with A.A.C. R14-3-105, except that all motions to intervene must be filed
5 on or before August 12, 2002. Persons desiring to intervene must file a written motion
6 to intervene with the Commission and send such motion to the Company or its counsel
7 and to all parties of record, and which at the minimum, shall contain the following:

8 1. The name, address, and telephone number of the proposed intervenor and of
9 any party upon whom service of documents is to be made if different than the
10 intervenor.

11 2. A short statement of the proposed intervenor's interest in the proceeding
12 (e.g. a customer of the company, a shareholder of the company, a competitor, etc.).

13 3. A statement certifying that a copy of the motion to intervene has been
14 mailed to the Company or its counsel and to all parties of record in the case.

15 A.A.C. R14-3-105 shall govern the granting of motions to intervene. The
16 granting of intervention, among other things, entitles a party to present sworn evidence
17 at the hearing and to cross-examine other witnesses. However, failure to intervene
18 will not preclude any interested person or entity from appearing at the hearing and
19 making a statement on their own behalf. The hearing is scheduled to commence on
20 September 16, 2002, at 10:00 a.m., at the Arizona Corporation Commission, 1200
21 West Washington Street, Phoenix, Arizona 85007. Please check with the Commission
22 for any changes to the scheduled hearing date.

23 If you have any comments, mail them to:

24 The Arizona Corporation Commission
25 Attention Docket Control
26 re: Touch America, Inc.
27 T-03911A-01-0303 et al.
28 1200 West Washington Street
Phoenix, Arizona 85007

All written comments should be received by August 12, 2002.

If you have any questions about this application, or want information on
intervention, you may contact the Consumer Services Section of the Commission at
1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission
to its public meetings. Persons with a disability may request a reasonable
accommodations such as sign language interpreter, as well as request this document in
an alternative format, by contacting Shelly Hood, ADA Coordinator, voice phone
number 602/542-3931, E-Mail shood@cc.state.az.us. Requests should be made as
early as possible to allow time to arrange the accommodation.

IT IS FURTHER ORDERED that intervention shall be in accordance with A.A.C. R14-3-105,
except that all motions to intervene must be filed on or before August 12, 2002.

IT IS FURTHER ORDERED that any objections to motions to intervene must be filed on or

1 before August 19, 2002.

2 IT IS FURTHER ORDERED that all intervenors, Staff, and Applicant shall file, by August
3 19, 2002, any written direct testimony they wish to have considered in this matter.

4 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive
5 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

6 DATED this 18th day of June, 2002.

7 

8 _____
9 DWIGHT D. NODES
ASSISTANT CHIEF ADMINISTRATIVE LAW JUDGE

10 Copies of the foregoing mailed/delivered
11 this 18th day of June, 2002 to:

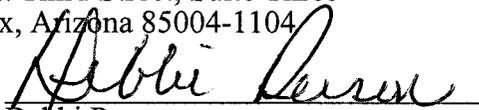
12 Jonathon Marashlian
13 Helein Law Group, P.C.
14 8180 Greensboro Drive, Suite 700
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15 John S. Fitzpatrick
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17 Governmental and Regulatory Affairs
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18 Christopher Kempley, Chief Counsel
19 Legal Division
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1200 West Washington Street
20 Phoenix, Arizona 85007

21 Ernest Johnson, Director
22 Utilities Division
ARIZONA CORPORATION COMMISSION
1200 West Washington Street
23 Phoenix, Arizona 85007

24 ARIZONA REPORTING SERVICE, INC.
25 2627 N. Third Street, Suite Three
Phoenix, Arizona 85004-1104

26 By: 
27 Debbi Person
Secretary to Dwight D. Nodes