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BEFORE THE ARIZONA CORPORATION COMMISSION

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MIKE GLEASON
Chairman
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
KRISTIN K. MAYES
Commissioner
GARY PIERCE
Commissioner

Arizona Corporation Commission

DOCKETED

APR 16 2007

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IN THE MATTER OF THE APPLICATION
OF BELL ATLANTIC
COMMUNICATIONS, INC. TARIFF
FILING TO ADD A RESIDENTIAL
MINIMUM SPEND LEVEL TO LONG
DISTANCE MESSAGE
TELECOMMUNICATIONS SERVICE
(LDMTS) AS WELL AS THE
APPLICATION OF INCREASE OF
MAXIMUM RATE, CUSTOMER
NOTIFICATION AND AFFIDAVIT OF
NOTIFICATIONS.

DOCKET NO. T-03289A-06-0712

DECISION NO. 69407

ORDER

Open Meeting
April 11 and 12, 2007
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Bell Atlantic Communications, Inc. d/b/a Verizon Long Distance ("BACI") is certificated to provide telecommunications service as a public service corporation in the State of Arizona.

2. On November 7, 2006, BACI filed tariff revisions to add a Residential Minimum Spend Level ("RMSL"), a monthly minimum usage requirement, to its tariff:

Bell Atlantic Communications, Inc. dba Verizon Long Distance

1 3. As proposed, a customer will be billed the actual usage if the billed amount is
2 greater than the minimum RMSL. However, if the billed amount is less than the minimum spend
3 level, the customer will be billed actual usage plus the difference between actual usage and the
4 minimum bill amount. The proposed maximum rate for the minimum spend level is \$6.00 per
5 month. The proposed initial RMSL is \$2.00 per month.

6 4. On November 21, 2006, Staff issued a data request to BACI for information. On
7 December 5, 2006, BACI filed its response to Staff's request. BACI provided a copy of the
8 Customer Notification in its original Application as required by the Commission.

9 5. Since this filing increases the rates for a component of a service that has been
10 classified as competitive under the Commission's Competitive Telecommunications Services
11 Rules, Arizona Administrative Code Rule R14-2-1110, applies to BACI's proposal.

12 6. The rate increases contained in this filing are for services that have been classified
13 as competitive by the Commission and are now subject to the Commission's Competitive
14 Telecommunications services rules. Under those rules, rates for competitive services are not set
15 according to rate of return regulation standards.

16 7. Staff requested information from BACI so that Staff could determine the potential
17 effects of the RMSL charge. In response to Staff's data request, BACI indicated that out of 829
18 residential Long Distance Message Telecommunications Service ("LDMTS") customers it serves
19 in Arizona 512 customers could be impacted by the proposed RMSL charge.

20 8. Assuming that all 512 residential LDMTS customers have zero usage, BACI
21 estimated the effect of a \$2.00 per month RMSL charge for residential service is an increase in
22 BACI's annual Arizona revenues of \$12,288, an increase in the Company's Arizona revenues of
23 approximately 5 percent per year. BACI currently provides only long distance service to its
24 customers in Arizona.

25 9. BACI's proposed \$6.00 maximum RMSL charge compares to the monthly charges
26 for calling plans of other long distance providers in Arizona as follows:

<u>Company</u>	<u>Monthly Rate</u>
Qwest Communication Corporation	\$5.95 Monthly Fee

1	AT&T	\$3.95 Monthly Recurring Charge
	MCI	\$6.99 Monthly Fee
2	BACI	\$2.00 Minimum Spent Level *

3 *BACI's RMSL will only be applicable to customers who do not spend \$2.00 per month
 4 (i.e. if a customer spends \$1.50 a month, the total RMSL charge that the customer pays will
 5 be only \$0.50).

6 10. Staff obtained information regarding BACI'S fair value rate base and has
 7 determined that its fair value rate base is zero. Because of the nature of the competitive market
 8 and other factors, a fair value analysis is not necessarily representative of a company's operations.
 9 Therefore, while Staff considered fair value rate base information submitted by BACI, it did not
 10 accord the fair value information substantial weight in its analysis of this matter.

11 11. Staff recommends approval of the filing.

12 CONCLUSIONS OF LAW

13 1. BACI is an Arizona public service corporation within the meaning of Article XV,
 14 Section 2 of the Arizona Constitution.

15 2. The Commission has jurisdiction over BACI and over the subject matter of the
 16 Application.

17 3. The Commission, having reviewed the tariff pages (copies of which are contained
 18 in the Commission's tariff files) and Staff's Memorandum dated March 28, 2007 concludes the
 19 tariff filing is reasonable, fair and equitable, and is therefore in the public interest.

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ORDER

IT IS THEREFORE ORDERED that the proposed tariff revisions be and hereby are approved.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

 CHAIRMAN	 COMMISSIONER	
 COMMISSIONER	 COMMISSIONER	 COMMISSIONER

IN WITNESS WHEREOF, I BRIAN C. McNEIL, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 16th day of April, 2007.


BRIAN C. McNEIL
Executive Director

DISSENT: _____

DISSENT: _____

EGJ:JFB:cjh/CCK

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SERVICE LIST FOR: Bell Atlantic Communications, Inc.
Docket No. T-03289A-06-0712

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