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**BEFORE THE ARIZONA CORPORATION COMMISSION**

COMMISSIONERS

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

Arizona Corporation Commission  
**DOCKETED**

JUN -6 2007

DOCKETED BY nr

IN THE MATTER OF THE COMMISSION ON ITS OWN MOTION INVESTIGATING THE FAILURE OF NUMEROUS UTILITIES TO FILE ANNUAL REPORTS FOR CALENDAR YEAR 2004.

DOCKET NO. C-00000A-06-0798

DECISION NO. 69642

**OPINION AND ORDER**

DATE OF HEARING: March 28, 2007  
PLACE OF HEARING: Phoenix, Arizona  
ADMINISTRATIVE LAW JUDGE: Yvette B. Kinsey<sup>1</sup>  
APPEARANCES: Mr. Charles Haines, Staff Attorney, Legal Division on behalf of the Utilities Division of the Arizona Corporation Commission.

**BY THE COMMISSION:**

On January 19, 2007, the Arizona Corporation Commission ("Commission") issued Decision No. 69237, a Complaint ("Complaint") and Order to Show Cause ("OSC") against the following named Respondents<sup>2</sup> for failing to file their 2004 Utilities Division Annual Reports ("Annual Reports"):

<u>DOCKET NO.</u>	<u>COMPANY</u>
T-04158A	Better World Telecom
T-03171A	Caltech International Telecom Corporation
T-04184A	Christian Media Technologies, Inc.
T-03118A	Comdata Telecommunications Services, Inc.
T-04024A	Dimensions (Global Crest)
T-03311A	Discount Network Services, Inc.
T-03834A	D-Tel Communications
T-04177A	Fox Communications Corporation

<sup>1</sup> This matter was heard by Administrative Law Judge Teena Wolfe.

<sup>2</sup> The named Respondents shall hereinafter be referred to as the Non-Filing Respondents.

1	T-04134A	Global Communications Consulting Corp.
	T-04016A	Globcom, Inc.
2	T-04212A	Harbor Communications, LLC
	T-04160A	Hello Telecom
3	T-03927A	Home Phone, Inc.
	W-03745A	Jake's Corner Water System
4	W-02651A	Juniper Wells Water Company, Inc.
	W-01557A	Lake Verde Water Company
5	T-03996A	Lucas Telecommunications
	T-04182A	Mercury Long Distance, Inc.
6	T-04181A	Miko Telephone Communications, Inc.
	W-02164A	Morristown Water Company
7	T-04186A	Motion Telecom, Inc.
	W-02105A	Mount Tipton Water Co., Inc.
8	W-04069A	Oatman Water Company, L.L.C.
9	T-04041A	Optical Telephone Corporation
10	T-03126A	Phase 2 Telesystems, Inc.
	T-03971A	Premiere Network Services, Inc.
11	T-04153A	Primo Communications, Inc.
	T-03844A	Promisevision Technology, Inc.
12	T-03127A	Quintelco, Inc.
	T-03855A	R.C.P. Services
13	T-04142A	Radiant Telecom, Inc.
14	T-04023A	Rural West – Western Rural Broadband, Inc.
	E-03795A	Southwest Energy Solutions, Inc.
15	T-03761A	Teligent Services, Inc.
	T-03719A	The Free Network, L.L.C.
16	W-02682A	Tierra Linda Homeowners Association
	T-03232A	Transcommunications, Inc.
17	W-03230A	Twin Hawks Utility, Inc.
	T-03849A	United Communications Hub, Inc.
18	T-03183A	Urban Telecommunications, Inc.
19	T-02722A	US Watts, Inc.
20	T-03981A	Zephion Networks Communications, Inc.

21           Therein, the Commission ordered a hearing to be conducted at a date and time set by the  
22 Hearing Division.

23           On February 7, 2007, by Procedural Order, a pre-hearing conference was scheduled on the  
24 Complaint against the above-named Non-Filing Respondents. The Commission's Utilities Division  
25 ("Staff") was ordered to file a memorandum to indicate which, if any, Non-Filing Respondents filed  
26 their 2004 Annual Reports subsequent to Decision No. 69237, so they could be dismissed from the  
27 proceeding.

28           On February 22, 2007, a pre-hearing conference was held at the Commission's offices in

1 Phoenix, Arizona. Staff appeared through counsel. No appearances were entered by any of the Non-  
2 Filing Respondents.

3 Between February 8, 2007 and February 23, 2007, Staff filed its Memorandums indicating  
4 that various utilities had filed their 2004 Annual Reports and requesting that they be dismissed from  
5 the proceeding.

6 On February 27, 2007, by Procedural Order, the hearing in this matter was scheduled to  
7 convene on March 28, 2007.

8 On March 28, 2007, a full public hearing was held by the Commission at its offices in  
9 Phoenix, Arizona before a duly authorized Administrative Law Judge of the Commission. Staff  
10 appeared through counsel. No other parties named in the proceeding appeared. At the conclusion of  
11 the hearing, the matter was taken under advisement pending submission of a Recommended Opinion  
12 and Order to the Commission.

13 \* \* \* \* \*

14 Having considered the entire record herein and being fully advised in the premises, the  
15 Commission finds, concludes, and orders that:

16 **FINDINGS OF FACT**

17 1. Pursuant to authority granted by the Commission, the Non-Filing Respondents were  
18 authorized to conduct business at various times in Arizona as public utilities.

19 2. On January 19, 2007, the Commission issued Decision No. 69237, a Complaint and  
20 Order to Show Cause against the Non-Filing Respondents described above due to their failure to file  
21 their 2004 Annual Reports.

22 3. On March 19, 2007, Staff filed a Memorandum which Staff's witness, Ms. Kimberly  
23 Battista, the Chief of Compliance, testified to at hearing, that Better World Telecom; Harbor  
24 Communications, LLC; Jake's Corner Water System; Morristown Water Company; Mount Tipton  
25 Water Company, Inc.; Oatman Water Company, LLC; and Twin Hawks Utility, Inc., had filed their  
26 2004 Annual Reports and should be dismissed from the proceeding.<sup>3</sup>

27

28 <sup>3</sup> These Respondents are hereinafter known as the Late-Filing Respondents.

1           4.     On May 23 and May 29, 2007, Staff filed memorandums requesting that Urban  
2 Telecommunications, Inc., and Primo Communications, Inc. be dismissed from the Complaint  
3 because they had filed their 2004 Annual Reports.

4           5.     Southwest Energy Solutions, Inc., should be dismissed from this proceeding based on  
5 Staff's belief that the Phelps Dodge Decision<sup>4</sup> invalidated its Certificate of Convenience and  
6 Necessity ("CC&N" or "Certificate").

7           6.     Ms. Battista further testified that a number of utilities have filed applications to cancel  
8 their Certificates and therefore should be dismissed from this proceeding. Those utilities are: D-Tel  
9 Communications; Harbor Communications, LLC; Motion Telecom, Inc.; Rural West-Western Rural  
10 Broadband, Inc.; and Teligent Services, Inc.<sup>5</sup>

11          7.     Notice of the proceeding was given in the manner prescribed by law.

12          8.     A number of the Procedural Orders which contained the notice of the proceeding's  
13 pre-hearing conference and the hearing that were mailed to the Non-Filing Respondents' last known  
14 address were returned to the Commission with notations such as "return to sender, no forwarding  
15 order on file", "moved, left no address, unable to forward", and "forwarding order expired". Those  
16 Non-Filing Respondents included: US Watts Inc.; The Free Network, LLC; Zephion Networks  
17 Communications, Inc.; RCP Services; Promisevision Technology, Inc.; Premiere Network Services,  
18 Inc.; Miko Telephone Communications, Inc.; Juniper Wells Water Company, Inc.; Lucas  
19 Telecommunications; Home Phone, Inc.; Hello Telecom; Globcom, Inc.; Global Communications  
20 Consulting Corp.; Discount Network Services, Inc.; Dimensions (Global Crest); Caltech International  
21 Telecom Corp; and Christian Media Technologies, Inc.

22          9.     Ms. Battista testified that the Complaint had been filed because the various utility  
23 companies and/or entities described above as the Non-Filing Respondents had failed to file their 2004  
24 Annual Reports.

25          10.    Ms. Battista indicated that the Commission sent out delinquent notices to all of the  
26 above-referenced utilities and/or entities to advise them that they had failed to file their 2004 Annual

27 \_\_\_\_\_  
28 <sup>4</sup> Phelps Dodge Corp. v. Arizona Elec. Power Coop., 207 Ariz. 95, 83 P.3d 573 (Ariz.App.Div. 1, 2004).

<sup>5</sup> These Respondents are hereinafter known as the Cancellation Respondents.

1 Reports. Following the mailing of the delinquent notices, personal phone calls to each of the utilities  
2 along with follow-up phone calls were made in an attempt to secure compliance with the requirement  
3 that the utilities file their 2004 Annual Reports. Since there was continued non-compliance, the  
4 Complaint was prepared and filed.

5 11. Ms. Battista testified that there are two water companies named in the Complaint,  
6 Tierra Linda Homeowners Association and Juniper Wells Water Company, that are not currently  
7 providing service in Arizona. Ms. Battista also stated that, with the exception of Globcom, Inc., she  
8 believed that none of the other entities were still in existence. Therefore, Staff believes that imposing  
9 sanctions on the non-existent entities would not serve any purpose.

10 12. In regards to Globcom, Inc., Ms. Battista testified that Staff found evidence that the  
11 company may be still in existence and that the Federal Communications Commission ("FCC") had  
12 recently imposed a large fine against Globcom, Inc., for failure to contribute to the Universal Service  
13 Fund and the telecommunications relay service (FCC Decision No. 06-49). Ms. Battista further  
14 testified that she called the customer service line for Globcom, Inc., and the customer service  
15 representative hung up on her twice, but that it appeared that Globcom, Inc., was still providing  
16 service in Arizona. Ms. Battista recommended that the Commission impose the maximum fine  
17 allowable by statute against Globcom, Inc.

18 13. In Decision No. 69342 (February 13, 2007) Transcommunications, Inc.'s CC&N was  
19 cancelled, and therefore Transcommunications, Inc., should be dismissed from this proceeding.

20 14. Staff recommends that the Certificates of the Non-Filing Respondents, which have  
21 failed to file their 2004 Annual Reports and/or failed to advise the Commission of their proper  
22 mailing addresses be revoked.

23 15. Based upon our review of the record, we believe that Staff's recommendation with  
24 respect to the Late-Filing Respondents is appropriate and they should be dismissed from this  
25 proceeding. With respect to the above-described Non-Filing Respondents, we find Staff  
26 recommendation that their Certificates be revoked reasonable. In addition, we adopt Staff's  
27 recommendation to assess against Globcom, Inc., the maximum penalty pursuant to A.R.S. §§ 40-424  
28 and 40-425 of \$5,000, based on Staff's assessment that Globcom, Inc. is still doing business in

1 Arizona and has failed to file its 2004 Annual Report.

2 16. We further find that Staff's recommendation to dismiss the Cancellation Respondents  
3 from this proceeding is reasonable and should be adopted.

4 **CONCLUSIONS OF LAW**

5 1. The above-referenced Non-Filing Respondents are public service corporations within  
6 the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281, 40-282 and 40-252.

7 2. The Commission has jurisdiction over the Non-Filing Respondents and of the subject  
8 matter of the Complaint herein.

9 3. The revocation of the Certificates of the remaining Non-Filing Respondents as  
10 described below would benefit the public interest.

11 4. The Complaint against the Late-Filing Respondents Better World Telecom; Harbor  
12 Communications, LLC; Jake's Corner Water System; Lake Verde Water Company; Morristown  
13 Water Company; Mount Tipton Water Company, Inc.; Oatman Water Company, LLC; Twin Hawks  
14 Utility, Inc., Urban Telecommunications, Inc.; and Primo Communications, Inc. should be dismissed.

15 5. The Complaint against the Cancellation Respondents D-Tel Communications; Harbor  
16 Communications, LLC; Motion Telecom, Inc.; Rural West- Western Rural Broadband, Inc.; and  
17 Teligent Services, Inc., should be dismissed.

18 6. Southwest Energy Solutions, Inc., should be dismissed from this proceeding.

19 7. Commission Decision No. 69342 (February 13, 2007) cancelled the CC&N of  
20 Transcommunications, Inc., and it should be dismissed from this proceeding.

21 8. Pursuant to A.R.S. §§ 40-424 and 40-425, Globcom, Inc., should be assessed financial  
22 penalties.

23 **ORDER**

24 IT IS THEREFORE ORDERED that the Certificates of Convenience and Necessity for the  
25 following Non-Filing Respondents and the authorizations granted therein are hereby revoked.

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27 ...

28 ...

<u>DOCKET NO.</u>	<u>COMPANY</u>
1	
2	T-03171A Caltech International Telecom Corporation
	T-04184A Christian Media Technologies, Inc.
3	T-03118A Comdata Telecommunications Services, Inc.
	T-04024A Dimension (Global Crest)
4	T-03311A Discount Network Services, Inc.
	T-04177A Fox Communications Corporation
5	T-04134A Global Communications Consulting Corp.
6	T-04016A Globcom, Inc.
	T-04160A Hello Telecom
7	T-03927A Home Phone, Inc.
	W-02651A Juniper Wells Water Company, Inc.
8	T-03996A Lucas Telecommunications
	T-04182A Mercury Long Distance, Inc.
9	T-04181A Miko Telephone Communications, Inc.
10	T-04041A Optical Telephone Corporation
	T-03126A Phase 2 Telesystems, Inc.
11	T-03971A Premiere Network Services, Inc.
	T-03844A Promisevision Technology, Inc.
12	T-03127A Quintelco, Inc.
13	T-03855A R.C.P. Services
	T-04142A Radiant Telecom, Inc.
14	T-03719A The Free Network, L.L.C.
	W-02682A Tierra Linda Homeowners Association
15	T-03849A United Communications Hub, Inc.
	T-02722A US Wats, Inc.
16	T-03981A Zephion Networks Communications, Inc.

17

18 IT IS FURTHER ORDERED that the Complaint against Southwest Energy Solutions, Inc.;

19 Transcommunications, Inc.; Better World Telecom; Harbor Communications, LLC; Jake's Corner

20 Water System; Lake Verde Water Company; Morristown Water Company; Mount Tipton Water

21 Company, Inc.; Oatman Water Company, LLC; Twin Hawks Utility, Inc.; Primo Communications,

22 Inc. and Urban Telecommunications, Inc. is hereby dismissed.

23 IT IS FURTHER ORDERED that the Complaint against D-Tel Communications; Harbor

24 Communications, LLC; Motion Telecom, Inc.; Rural West-Western Rural Broadband, Inc.; Teligent

25 Services, Inc., is hereby dismissed.

26 ...

27 ...

28 ...

1 IT IS FURTHER ORDERED that pursuant to A.R.S. §§ 40-424 and 40-425 Globcom, Inc.,  
2 shall be penalized the sum of \$ 5,000 for failure to file its 2004 Annual Report.

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

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

5  
6    
7 CHAIRMAN COMMISSIONER

8     
9 COMMISSIONER COMMISSIONER COMMISSIONER

10  
11 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
12 Director of the Arizona Corporation Commission, have  
13 hereunto set my hand and caused the official seal of the  
14 Commission to be affixed at the Capitol, in the City of Phoenix,  
15 this 16<sup>th</sup> day of June, 2007.

16   
17 BRIAN C. McNEIL  
18 EXECUTIVE DIRECTOR

19 DISSENT \_\_\_\_\_

20 DISSENT \_\_\_\_\_  
21 YBK:db

1	SERVICE LIST FOR:	NUMEROUS UTILITIES
2	DOCKET NO.:	C-00000A-06-0798
3	Better World Telecom	Jake's Corner Water System
4	11951 Freedom Drive, 13 <sup>th</sup> Floor	HC6 Box 1048 H
	Reston, VA 20190	Payson, AZ 85541
5	Call Tech International Telecom Corp.	Juniper Wells Water Company, Inc.
	P.O. Box 837	300 N. Lynx Creek Road
6	San Ramon, CA 94583	Prescott, AZ 86306
7	Christian Media Technologies, Inc.	Lake Verde Water Company, Inc.
	6715 N.E. 63 <sup>rd</sup> St., Ste. 103	P.O. Box 2777
8	Vancouver, WA 99551-2099	Camp Verde, AZ 86322
9	Comdata Telecommunications Services, Inc.	Lucas Telecommunications
	5301 Maryland Way	P.O. Box 992
10	Brentwood, TN 37027	Gilbert, AZ 85299
11	Dimensions (Global Crest)	Mercury Long Distance, Inc.
	12550 Biscayne Blvd., Ste. 703	2288 Gunbarrel Rd., Ste. 111-269
12	North Miami, FL 33181	Chattanooga, TN 37421
13	Discount Network Services, Inc.	Miko Telephone Communications, Inc.
	23750 Elmira, Ste., 202	2100 SouthBridge Parkway, Suite 650
14	Redford, MI 48239	Birmingham, AL 35209
15	D-Tel Communications	Morristown Water Company
	12313 S. Wilmington Avenue	P.O. Box 156
16	Compton, CA 90222	Morristown, AZ 85342
17	Fox Communication Corporation	Motion Telecom, Inc.
	2001 6 <sup>th</sup> Avenue, Ste., 3302	7101 S. Fulton Street, Ste. 200
	Seattle, WA 98121	Englewood, CO 80112
18	Global Communications Consulting Corp.	Mount Tipton Water Co., Inc.
	1371 Longacre Lane	P.O. Box 38
19	Wheeling, IL 60090-5931	Dolan Springs, AZ 86441
20	Globcom, Inc.	Oatman Water Company, LLC
	2100 Sanders Rd., Ste. 150	9184 N. 81 <sup>st</sup> Street
21	Northbrook, IL 60062	Scottsdale, AZ 85258
22	Harbor Communications, LLC	Optical Telephone Corporation
	3211 SW Scholls Ferry Ct	885 Woodstock Rd., Ste. 430
23	Portland, OR 97221	Roswell, GA 30075
24	Hello Telecom	Phase 2 Telesystems, Inc.
	255 South Orem Boulevard	8901 E. Raintree #100
25	Orem, UT 84058	Scottsdale, AZ 85260
26	Home Phone, Inc.	Premiere Network Services, Inc.
	1095 Home Avenue	500 N. Akard St., Ste. 2980
27	Akron, OH 44310	Dallas, TX 75201-5504
28	...	...

1 Primo Communications, Inc.  
617 Birch Tree Court  
2 Rochester Hills, MI 48306

3 Promisevision Technology, Inc.  
3140 W. Britton Road, Ste. 200  
4 Oklahoma City, OK 73120

5 Quintelco, Inc.  
1 Blue Hill Plaza  
6 PO Box 1665  
Pearl River, NY 10965

7 R.C.P. Services  
Verizon Avenue Corp.  
8 12901 Worldgate Dr., Ste. 800  
9 Herndon, VA 20170-5014

10 Radiant Telecom, Inc.  
1020 NW 163 Drive  
11 Miami, FL 33169

12 Rural West – Western Rural Broadband, Inc.  
2312 104<sup>th</sup> Ave. SE  
Bellevue, WA 98004

13 Southwest Energy Solutions, Inc.  
14 1 S. Church, 18<sup>th</sup> Fl.  
Tucson, AZ 85701

15 Teligent Services, Inc.  
16 460 Herndon Parkway, Suite 100  
Herndon, VA 20170

17 The Free Network, LLC  
18 1607 E. Big Beaver Road, Ste. 201  
Troy, MI 48083

19 Tierra Linda Homeowners Association  
20 14305 Blue Spruce Court  
Orland Park, IL 60462

21 Transcommunications, Inc.  
22 6125 Preservation Drive  
Chattanooga, TN 37416

23 Twin Hawks Utility, Inc.  
24 432 E. Speedway  
Tucson, AZ 85705

25 United Communications Hub, Inc.  
10390 Commerce Center Drive, Suite 250  
26 Rancho Cucamonga, CA 91730

27 Urban Telecommunications Inc.  
1220 W. Almeida, Ste. 126  
28 Tempe, AZ 85281

US Watts, Inc.  
2 Greenwood Square  
3331 Street Rd Ste. 275  
Bensalem, PA 19020

Zephion Networks Communications, Inc.  
2950 Gallows Rd.  
Falls Church, VA 22042

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