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BEFORE THE ARIZONA CORPORATION CO.

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

KRISTIN K. MAYES, Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP

JAN 20 2009

DOCKETED BY
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IN THE MATTER OF THE COMMISSION ON ITS OWN MOTION INVESTIGATING THE FAILURE OF NUMEROUS UTILITIES TO FILE ANNUAL REPORTS FOR CALENDAR YEAR 2006.

DOCKET NO. C-00000A-08-0182

DECISION NO. 70705

OPINION AND ORDER

DATE OF PRE-HEARING: August 28, 2008
DATE OF HEARING: October 21, 2008
PLACE OF HEARING: Phoenix, Arizona
ADMINISTRATIVE LAW JUDGE: Marc E. Stern
APPEARANCES: Ms. Nancy Scott, Staff Attorney, Legal Division, on behalf of the Utilities Division of the Arizona Corporation Commission.

BY THE COMMISSION:

On May 16, 2008, the Arizona Corporation Commission ("Commission") issued Decision No. 70346, a Complaint and Order to Show Cause ("Complaint" or "OSC") against the following named Respondents¹ for failing to file their 2006 Utilities Division Annual Reports ("Annual Reports"):

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
T-04097A	ACCXX COMMUNICATIONS, LLC
T-03600A	ALLCOM USA dba ALLCOM / ALLCOM INTERNATIONAL
W-02250A	ARIZONA WINDSONG REALTY, INC.
T-03299A	BUEHNER-FRY, INC. dba DIRECTDIAL USA
T-02764A	BUEHNER-FRY, INC. dba RESORT OPERATOR SERVICES
W-02391A	CERBAT WATER COMPANY
W-01558A	CROWN KING WATER COMPANY, INC.
T-03822A	FREEDOMSTARR COMMUNICATIONS
W-02271A	GREEN ACRES WATER COMPANY
W-02077A	HOPEVILLE WATER COMPANY, INC.
T-04095A	INFONET TELECOMMUNICATIONS CORPORATION
T-04140A	JLS MARKETING dba JLS
W-01557A	LAKE VERDE WATER COMPANY
T-03303A	MARTIN N. MOHAMED dba DESERT TELECOM

¹ The named Respondents shall hereinafter be referred to as the Non-filing Respondents.

1	W-02504A	MEADOW WATER COMPANY
	W-01849A	MOBILE WATER COMPANY
2	W-02164A	MORRISTOWN WATER COMPANY
	T-04054A	NATIONAL TELEPHONE COMPANY, LLC
3	W-01642A	PETER O'CROTTY dba DESPOBLADO WATER COMPANY
	T-03583A	PREFERRED CARRIER SERVICES, INC. dba PHONES FOR ALL / TELEFONOS PARA TODOS
4	T-04255A	R. SCOTT DELONG dba DELONG INDUSTRIES GROUP, INC.
	T-04193A	R2C COMMUNICATIONS, INC.
5	T-04064A	RANDY HEINSOHN
	W-01407A	STRAWBERRY WATER COMPANY
6	T-02972A	SYUFY ENTERPRISES / CENTURY THEATRES c/o CINEMARK THEATRES, INC.
7	W-01344A	TACNA WATER MANAGEMENT COMPANY
	T-04027A	TELEFYNE INCORPORATED
8	T-04172A	TELLOGIC dba QUALITY TELEPHONE
	T-04068A	THOMAS TWISS dba AMERICAN COMMUNICATIONS OF OHIO, INC.
9	T-03402A	TRANSAMERICAN TELEPHONE, INC.
	W-02168A	TRUXTON CANYON WATER COMPANY, INC.
10	T-04058A	UNITED SYSTEMS ACCESS TELECOM, INC.
	W-02372A	VERDE LAKES WATER CORPORATION
11	T-20425A	V-GLOBAL COMMUNICATIONS, LLC
12	W-01084A	WILLIAM P. FARR dba SALOME WATER COMPANY

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

15 On June 12, 2008, by Procedural Order, a pre-hearing conference was scheduled on the
16 Complaint against the above-named Non-filing Respondents. The Commission's Utilities Division
17 ("Staff") was ordered to file a Memorandum by August 25, 2008, to indicate which, if any,
18 Non-filing Respondents filed their 2006 Annual Reports so they could be dismissed from the
19 proceeding.

20 On August 25, 2008, Staff filed its Memorandum indicating that as of that date twelve utilities
21 had filed their 2006 Annual Reports and requested that they be dismissed from the proceeding. Staff
22 further disclosed that at that time three utilities had filed applications for the cancellation of their
23 Certificate(s) of Convenience and Necessity ("Certificate").

24 On August 28, 2008, a pre-hearing conference was held at the Commission's offices in
25 Phoenix, Arizona. Staff appeared with counsel. No appearances were entered by any of the
26 Non-filing Respondents. By Procedural Order, a hearing was scheduled for October 21, 2008.

27 On October 20, 2008, Staff filed its second Memorandum indicating that as of that date three
28 more utilities had filed their 2006 Annual Reports and one more utility had filed an application for

1 the cancellation of its Certificate and Staff recommended their dismissal from the proceeding.

2 On October 21, 2008, a full public hearing was held by the Commission at its offices in
3 Phoenix, Arizona before a duly authorized Administrative Law Judge of the Commission. Staff
4 appeared with counsel. No other parties named in the proceeding appeared. At the conclusion of the
5 hearing, the matter was taken under advisement pending submission of a Recommended Opinion and
6 Order to the Commission.

7 On November 17 and 18, 2008, Staff filed its third and fourth memorandums, respectively,
8 indicating that Staff had determined that one company no longer existed and has no customers and
9 recommended that its Certificate be cancelled. Staff further indicated that three more of the Non-
10 filing Respondents had late-filed their 2006 Annual Reports and should be dismissed from the
11 proceeding.

12 * * * * *

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

15 **FINDINGS OF FACT**

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

18 2. On May 16, 2008, the Commission issued Decision No. 70346, a Complaint against
19 the Non-filing Respondents described above due to their failure to file their 2006 Annual Reports.

20 3. On August 25 and October 20, 2008, Staff filed Memoranda in which Staff's witness,
21 Ms. Kim Batista, the Chief of Compliance, indicated that the following companies had late-filed their
22 2006 Annual Reports and should be dismissed from the proceeding: Arizona Windsong Realty, Inc.;
23 Buehner-Fry, Inc. dba Directdial USA; Buehner-Fry, Inc. dba Resort Operator Services; Cerbat
24 Water Company; Lake Verde Water Company; Peter O'Crotty dba Despoblado Water Company;
25 R. Scott Delong dba Delong Industries Group, Inc.; Tacna Water Management Company; Tellogic
26 dba Quality Telephone; Thomas Twiss dba American Communications of Ohio, Inc.; Truxton
27 Canyon Water Company, Inc.; Verde Lakes Water Corporation; Syufy Enterprises/Century Theatres;

28

1 Freedomstarr Communications, Inc.; and Randy Heinsohn.²

2 4. Ms. Batista further indicated in Staff's Memoranda that three telephone utilities and
3 one water utility named in the Complaint have filed applications for the cancellation of their
4 Certificates and should be dismissed from the proceeding as follows: JLS Marketing dba JLS;
5 Telefyne Incorporated; United Systems Access Telecom, Inc.; and Mobile Water Company.³ Staff
6 indicates their Certificates will be cancelled by subsequent proceedings.

7 5. Commission records reveal that of the above-named Non-filing Respondents, Crown
8 King Water Company, Lake Verde Water Company, Meadow Water Company, Morristown Water
9 Company and William P. Farr dba Salome Water Company have had their Certificates revoked by
10 prior Commission Orders.

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

12 7. 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 include as follows: ACXX Communications, LLC; AllCom USA dba
17 AllCom/AllCom International; Crown King Water Company, Inc.; Green Acres Water Company;
18 Hopeville Water Company, Inc.; Infonet Telecommunications Corporation; Martin N. Mohamed dba
19 Desert Telecom; Meadow Water Company; Morristown Water Company; National Telephone
20 Company, LLC; Preferred Carrier Services, Inc. dba Phones For All / Telefonos Para Todos; R2C
21 Communications, Inc.; Strawberry Water Company; Transamerican Telephone, Inc.; V-Global
22 Communications, LLC; and William P. Farr dba Salome Water Company.

23 8. Ms. Batista testified that the Complaint had been filed because the various utility
24 companies and/or entities that were described above as the Non-filing Respondents had failed to file
25 their 2006 Annual Reports by April 15, 2007, in violation of Arizona law and the Commission's
26 rules.

27 _____
28 ² These Respondents are hereinafter known as the Late-filed Respondents.

³ These Respondents are hereinafter known as the Cancellation Respondents.

1 9. Ms. Batista indicated that the Commission sent out delinquent notices to all of the
2 above-referenced utilities and/or entities to advise them that they had failed to file their 2006 Annual
3 Reports. Following the mailing of the delinquent notices, personal phone calls to each of the utilities
4 along with follow-up phone calls were made in an attempt to secure compliance with the requirement
5 that the utilities file their 2006 Annual Reports. Since there was continued non-compliance, the
6 Complaint was prepared and filed.

7 10. While Staff believes the Non-filing Respondent water utilities are providing service,
8 there is no evidence whether the telecommunications utilities are still providing service.

9 11. Staff is recommending that the Certificates of the Non-filing Respondents which have
10 either failed to file their 2006 Annual Reports and/or failed to advise the Commission of their proper
11 mailing addresses be revoked and the utility and/or entity be penalized financially. Staff further
12 recommends that any Non-filing Respondents which have previously had their Certificates revoked
13 should be penalized financially.

14 12. On November 17 and 18, 2008, Staff filed its third and fourth memorandums,
15 respectively. Therein, Staff recommended that the Certificate of Meadow Water Company should be
16 cancelled because Staff, after visiting the Company's service area, found that it is non-existent and
17 has no customers.⁴ Staff further recommended that since Green Acres Water Company, Hopeville
18 Water Company, Inc. and Strawberry Water Company had late-filed their 2006 Annual Reports, they
19 should be classified as Late-filed Respondents and should be dismissed from the proceeding.

20 13. Based upon our review of the record, we believe that Staff's recommendations with
21 respect to the Late-filed and Cancellation Respondents are appropriate and they should be dismissed
22 from the proceeding. With respect to the above-described Non-filing Respondents, their Certificates
23 should be revoked and they should also be assessed financial penalties. The Non-filing Respondents
24 which have had their Certificates revoked previously should also be assessed financial penalties.
25 However, if any affected Non-filing Respondent files, within 60 days of the effective date of this
26 Decision, its 2006 Annual Report, then the Order of revocation and penalty as to that utility and/or

27 ⁴ Although Staff is recommending that Meadow Water Company's Certificate should be cancelled, this is a moot issue
28 since the Commission, in Decision No. 69180 (December 5, 2006), revoked the Certificate of Meadow Water Company
for failing to file its 2002 Annual Report.

1 entity should be rendered null and void without further Order by the Commission.

2 **CONCLUSIONS OF LAW**

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

5 2. The Commission has jurisdiction over the Non-filing Respondents and of the subject
6 matter of the Complaint herein.

7 3. The revocation of the Certificates of the remaining Non-filing Respondents as
8 described above would benefit the public interest.

9 4. The Complaint against the Late-filed Respondents, and the Cancellation Respondents
10 should be dismissed.

11 5. Pursuant to A.R.S. § 40-425, the remaining Non-filing Respondents should also each
12 be penalized the sum of \$200 unless, within 60 days of the effective date of this Decision, the
13 remaining Non-filing Respondent files its 2006 Annual Report.

14 **ORDER**

15 IT IS THEREFORE ORDERED that unless previously revoked, the Certificates of
16 Convenience and Necessity of the remaining Non-filing Respondents and the authorizations therein
17 be revoked as follows:

<u>DOCKET NO.</u>	<u>COMPANY NAME</u>
T-04097A	ACCXX COMMUNICATIONS, LLC
T-03600A	ALLCOM USA dba ALLCOM / ALLCOM INTERNATIONAL
T-04095A	INFONET TELECOMMUNICATIONS CORPORATION
T-03303A	MARTIN N. MOHAMED dba DESERT TELECOM
T-04054A	NATIONAL TELEPHONE COMPANY, LLC
T-03583A	PREFERRED CARRIER SERVICES, INC. dba PHONES FOR ALL / TELEFONOS PARA TODOS
T-04193A	R2C COMMUNICATIONS, INC.
T-03402A	TRANSAMERICAN TELEPHONE, INC.
T-20425A	V-GLOBAL COMMUNICATIONS, LLC

24 IT IS FURTHER ORDERED that the Complaint against the Late-filed Respondents: Green
25 Acres Water Company; Hopeville Water Company; Strawberry Water Company; Arizona Windsong
26 Realty, Inc.; Buehner-Fry, Inc. dba Directdial USA; Buehner-Fry, Inc. dba Resort Operator Services;
27 Cerbat Water Company; Lake Verde Water Company; Peter O’Crotty dba Desoplado Water
28

1 Company; R. Scott Delong dba Delong Industries Group, Inc.; Tacna Water Management Company;
2 Tellogic dba Quality Telephone; Thomas Twiss dba American Communications of Ohio, Inc.;
3 Truxton Canyon Water Company, Inc.; Verde Lakes Water Corporation; Syufy Enterprises/Century
4 Theatres; Freedomstarr Communications, Inc.; and Randy Heinsohn is hereby dismissed.

5 IT IS FURTHER ORDERED that the Complaint against the Cancellation Respondents as
6 follows: JLS Marketing dba JLS; Telefyne Incorporated; United Systems Access Telecom, Inc.; and
7 Mobile Water Company is hereby dismissed.

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1 IT IS FURTHER ORDERED that the above-named remaining Non-filing Respondents
2 including Crown King Water Company, Morristown Water Company and William P. Farr dba
3 Salome Water Company that have previously had their Certificates revoked shall each be penalized
4 the sum of \$200 unless, within 60 days of the effective date of this Decision, the above-named Non-
5 filing Respondent files its 2006 Utilities Division Annual Report with the Director of the
6 Commission's Utilities Division, then said revocation and/or financial penalty shall be null and void
7 without further Order by the Commission.

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

9 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN	COMMISSIONER	
COMMISSIONER	COMMISSIONER	COMMISSIONER

15 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
16 Director of the Arizona Corporation Commission, have
17 hereunto set my hand and caused the official seal of the
18 Commission to be affixed at the Capitol, in the City of Phoenix,
19 this 27th day of Jan, 2009.

20
BRIAN C. McNEIL
EXECUTIVE DIRECTOR

21
22 DISSENT _____

23
24 DISSENT _____

25 MES:db

1 SERVICE LIST FOR:

2006 ANNUAL REPORTS

2 DOCKET NO.:

C-00000A-08-0182

3 ACCXX Communications, LLC
4 4035 Tampa Road, Suite 6000
5 Oldsmar, FL 34677

Preferred Carrier Services, Inc.
Phones For All / Telefonos Para Todos
c/o Prentice-Hall Corp System
2338 W. Royal Palm Rd., Ste. J
Phoenix, AZ 85021

5 AllCom USA
6 AllCom / AllCom International
7 c/o TCS Corporate Services, Inc.
8 815 N. 1st Ave., #4
9 Phoenix, AZ 85003

R2C Communications, Inc.
9532 Mission Rd., #25
Overland, KS 66206

8 Crown King Water Company, Inc.
9 6428 W. Garden Dr.
10 Glendale, AZ 85304

Randy Heinsohn
730 Kofa Ave.
Parker, AZ 85344

10 Freedomstarr Communications, Inc.
11 7985 Santa Monica Blvd., Ste. 109
12 Los Angeles, CA 90046-5186

Strawberry Water Company
Albert Hunt
HC 1, Box 817
Pine, AZ 85544-9719

12 Green Acres Water Co.
13 P.O. Box 4995
14 Yuma, AZ 85366

Syufy Enterprises/Century Theatres
c/o Cinemark Theatres, Inc.
3900 Dallas Pkwy., Ste. 500
Plano, TX 75093

14 Hopeville Water Company, Inc.
15 1415 S. Palo Verde Rd., Rt. 2
16 Buckeye, AZ 85326

TransAmerican Telephone, Inc.
209 E. University
Denton, TX 76201

16 Infonet Telecommunications Corp.
17 2160 E. Grand Avenue
18 El Segundo, CA 90245

Buehner-Fry, Inc.
Resort Operator Services
40 NW Greenwood Ave.
Bend, OR 97701

18 Desert Telecom
19 Martin N. Mohamed
20 P.O. Box 821
21 Brawley, CA 92227

David F. Wright, CPA, PC
2652 W. Guadalupe Rd., Ste. 102
Mesa, AZ 85202

21 Mobile Water Company
22 Garth Wieger
23 6720 N. Scottsdale Rd., Ste. 335
24 Scottsdale, AZ 85253

V-Global Communications, LLC
800 Southwood Blvd., Ste. 212
Incline Village, NV 89451

23 Morristown Water Company
24 P.O. Box 156
25 Morristown, AZ 85342

The CommLaw Group
Jonathan S. Marashlian
1483 Chain Bridge Rd., Ste. 301
McLean, VA 22101

25 National Telephone Company, LLC
26 3116 Garden Brook Dr.
27 Farmers Branch, TX 75234

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1	Salome Water Co. William P. Farr	JLS Marketing, LLC JLS
2	P.O. Box 550	2024 N. 125th Ave.
3	Salome, AZ 85348	Avondale, AZ 85323
4	Arizona Wndsong Realty, Inc. PO Box 261	Telfyne Incorporated PO Box 2251
5	Sanders, AZ 86512	Milton, FL 32571-0451
6	Buehner-Fry, Inc. Directdial USA	United Systems Access Telecom, Inc. 5 Bradgon Lane, Ste. 200
7	40 NW Greenwood Ave. Bend, OR 97701	Kennebunk, ME 04043
8	Cerbat Water Company 2409 Ricca Dr.	Janice Alward, Chief Counsel Legal Division ARIZONA CORPORATION COMMISSION 1200 West Washington Street
9	Kingman, AZ 86401	Phoenix, AZ 85007
10	Lake Verde Water Company PO Box 2777	Ernest G. Johnson, Director Utilities Division ARIZONA CORPORATION COMMISSION 1200 West Washington
11	Camp Verde, AZ 86322-2777	Phoenix, AZ 85007
12	Peter O'Crotty Despoblado Water Company	
13	8815 N. Verch Way	
14	Tucson, AZ 85737	
15	R. Scott DeLong DeLong Industries Group, Inc.	
16	1031 Calle Recodo, Ste. A San Clemente, CA 92673	
17	Tacna Water Company 2993 S. Arizona Ave.	
18	Yuma, AZ 85365	
19	TelLogic Quality Telephone	
20	PO box 7310	
21	Dallas TX 75209-0310	
22	Thomas Twiss American Communications Of Ohio, Inc.	
23	PO Box 351 New Albany, OH 43504	
24	Truxton Canyon Water Co., Inc. 2409 Ricca Dr.	
25	Kingman, AZ 86401	
26	Verde Lakes Water Corp. 2867 S. Verde Lakes Dr., #B	
27	Camp Verde, AZ 86322	
28		