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BEFORE THE ARIZONA CORPORATION COMMISSION

1 ORIGINAL
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Arizona Corporation Commission

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AUG 26 2009

AZ CORP COMMISSION
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3 KRISTIN K. MAYES, Chairman
4 GARY PIERCE
5 PAUL NEWMAN
6 SANDRA D. KENNEDY
7 BOB STUMP

DOCKETED BY [Signature]

7 IN THE MATTER OF THE APPLICATION OF
8 STI PREPAID, LLC AND DIALAROUND
9 ENTERPRISES INC. FOR APPROVAL OF A
10 TRANSFER OF ASSETS AND CERTIFICATE
11 OF CONVENIENCE AND NECESSITY TO
PROVIDE INTRASTATE
TELECOMMUNICATIONS SERVICES AND
APPROVAL OF TERMINATION OF SERVICE
BY DIALAROUND ENTERPRISES INC.

DOCKET NO. T-20517A-07-0135

DOCKET NO. T-04045A-07-0135

PROCEDURAL ORDER

12 **BY THE COMMISSION:**

13 On March 2, 2007, STi Prepaid, LLC ("STi") and Dialaround Enterprises, Inc. ("Dialaround")
14 (jointly the "Applicants") filed with the Commission a joint application requesting that the
15 Commission (1) approve the transfer to STi of Dialaround's Certificate of Convenience and
16 Necessity ("CC&N") to provide resold interexchange services; and (2) approve the termination of
17 resold long distance service by Dialaround upon transfer of the CC&N. The Applicants stated that
18 they had, on January 23, 2007, entered into an Asset Purchase and Contribution Agreement
19 ("Agreement") under which Dialaround agreed to transfer all or substantially all of its assets to STi.
20 As part of the joint application, STi submitted an application for a CC&N to provide resold long
21 distance telecommunications services. STi has asserted that the vast majority of its services in
22 Arizona will be provided through prepaid calling cards.

23 On May 18, 2009, a full evidentiary hearing was held in this matter at the Commission's
24 offices in Phoenix, Arizona. At the conclusion of the hearing, the Applicants and the Commission's
25 Utilities Division Staff ("Staff") filed briefs addressing several issues. With its post-hearing brief, the
26 Applicants included Post-Hearing Exhibit 1, purportedly a list of CC&N holder telecommunications
27 companies offering calling, travel, or prepaid calling card services in Arizona, compiled by the
28 Applicants through a review of tariffs filed with the Commission, and Post-Hearing Exhibit 2,

1 excerpts from Entrix Telecom, Inc.'s Arizona C.C. Tariff No. 1. Post-Hearing Exhibit 1 appears to
2 show that 39 different CC&N holder telecommunications companies offer prepaid calling card
3 services, as evidenced by provisions in their tariffs. In addition, the Applicants filed a Late-Filed
4 Exhibit ("LFE-1") identifying 14 prepaid calling cards purchased in Arizona and setting forth the
5 results of their test regarding whether it was possible to complete an intrastate long-distance call
6 using each card.

7 On August 6, 2009, a Procedural Order was issued requiring Staff to analyze Post-Hearing
8 Exhibit 1 and LFE-1, to test 14 prepaid calling cards provided to Staff by the Applicants, and to make
9 a filing with Staff's analysis and recommendations by August 27, 2009. The Procedural Order also
10 required the Applicants to file a response to Staff's analysis and recommendations by September 10,
11 2009.

12 On August 20, 2009, Staff filed a Request for a Procedural Conference at which it desired to
13 relay issues that have arisen regarding the pending application and the current procedural posture.

14 On August 21, 2009, via e-mail, a telephonic procedural conference was scheduled to be held
15 on August 27, 2009, at 11:00 a.m., a time that Staff had indicated all of the parties were available.

16 On August 26, 2009, Staff filed a Request for an Extension of Time to Comply with
17 Procedural Order and Request to Vacate Procedural Conference. In its Request, Staff indicated that it
18 now believes that it would be preferable to file a written response concerning the Procedural Order's
19 requirements and including Staff's suggestions to address the issues raised therein. Staff requested
20 that the procedural conference scheduled for August 27, 2009, be vacated and that the deadline for
21 Staff's filing required by the Procedural Order be extended to September 24, 2009.

22 Because it appears that Staff needs additional time to analyze the information provided in
23 Post-Hearing Exhibit 1 and LFE-1 and to formulate its position related thereto, it is appropriate to
24 vacate the procedural conference scheduled for August 27, 2009; to extend Staff's deadline to file its
25 analysis and recommendations as required by the Procedural Order; and to extend the Applicants'
26 deadline to respond to Staff's filing.

27 IT IS THEREFORE ORDERED that the **telephonic procedural conference scheduled for**
28 **August 27, 2009, at 11:00 a.m. is hereby vacated.**

1 IT IS FURTHER ORDERED that the **deadline for Staff** to make the filing required by the
2 Procedural Order of August 6, 2009, is extended to **September 24, 2009**.

3 IT IS FURTHER ORDERED that the **deadline for the Applicants to file a response to**
4 Staff's filing required by the Procedural Order of August 6, 2009, is extended to **October 8, 2009**.

5 IT IS FURTHER ORDERED that if Staff desires to have the filing requirement in the
6 Procedural Order of August 6, 2009, modified, Staff shall **promptly** make a filing setting forth
7 Staff's suggested modification, requesting that the modification be ordered, and explaining why the
8 modified filing requirement would provide a sufficient analysis of the information provided in Post-
9 Hearing Exhibit 1 and LFE-1.

10 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules
11 of the Arizona Supreme Court and A.R.S. § 40-243 with respect to the practice of law and admission
12 *pro hac vice*.

13 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance
14 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the
15 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances
16 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is
17 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the
18 Administrative Law Judge or the Commission.

19 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113—Unauthorized
20 Communications) applies to this matter and shall remain in effect until the Commission's Decision in
21 this matter is final and non-appealable.

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

24 DATED this 26th day of August, 2009.

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27 
28 SARAH N. HARPRING
ADMINISTRATIVE LAW JUDGE

1 Copies of the foregoing mailed/delivered
this 26th day of August, 2009, to:

2 Todd Feltus
3 KERCSMAR & FELTUS PLLC
4 6263 North Scottsdale Road, Suite 320
Scottsdale, AZ 85250

5 Chérie R. Kiser
6 CAHILL GORDON & REINDEL LLP
7 1990 K Street, NW, Suite 950
Washington, D.C. 20006

8 Matthew L. Conaty
9 CAHILL GORDON & REINDEL LLP
10 80 Pine Street
New York, NY 10005

11 Jenni Partridge
12 STi PREPAID, LLC
30-50 Whitestone Expressway
Flushing, NY 11354

13 Janice Alward, Chief Counsel
14 Legal Division
ARIZONA CORPORATION COMMISSION
15 1200 West Washington Street
Phoenix, AZ 85007

16 Steve Olea, Director
17 Utilities Division
ARIZONA CORPORATION COMMISSION
18 1200 West Washington Street
Phoenix, AZ 85007

19 ARIZONA REPORTING SERVICE, INC.
20 2200 North Central Avenue, Suite 502
Phoenix, AZ 85004-1481

21
22 By: 
23 Debra Broyles
Secretary to Sarah N. Harpring

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25
26
27
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