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MEMORANDUM

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TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

2009 AUG 28 A 10:54

AZ CORP COMMISSION
DOCKET CONTROL

DATE: August 28, 2009

RE: **STAFF REPORT** – IN THE MATTER OF THE APPLICATION OF HEATH COMMUNICATIONS, INC. FOR THE SALE OF ASSETS AND/OR CANCELLATION OF CERTIFICATE OF CONVENIENCE AND NECESSITY FOR CUSTOMER OWNED PAY TELEPHONE PROVIDERS (DOCKET NO. T-03068A-08-0160)

On March 17, 2008, Heath Communications, Inc. ("Company") filed an application to cancel its Certificate of Convenience and Necessity ("CC&N") to provide customer owned pay telephone ("COPT") service in Arizona. The Commission granted the Company a CC&N to provide COPT services in Decision No. 59673, dated May 15, 1996.

On July 17, 2009, Staff contacted Jim Heath, owner of the Company, and verified that he is the authorized person that made the Application. Mr. Heath stated that he does not want a hearing to cancel his CC&N. Mr. Heath informed Staff that he sold his telephone business to Sugar Kane Vending Company, LLC dba Community Pay Phone ("Community Pay Phone") in 2003. On July 21, 2009, Staff contacted David Schimke, owner of Community Pay Phone, and confirmed that he acquired Heath Communications, Inc.'s telephones. Community Pay Phone was authorized to provide COPT services on November 10, 2003, in Decision No. 66518.

The Compliance Section of the Utilities Division indicates that the Company does not have any trackable compliance items in either the Compliance Database or the e-Docket System. As a result, there are no outstanding compliance issues.

The Consumer Services Section of the Utilities Division stated that from January 1, 2006 through July 21, 2009, there are no complaints, inquiries or opinions filed against the Company. Consumer Services Section further stated that the Company changed its name on July 4, 2004, to Heath & Associates and is in good standing with the Corporations Division of the Commission.

Arizona Corporation Commission

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Staff recommends approval of the request to cancel the Company's CC&N. Upon cancellation of its CC&N, Heath Communications, Inc., will not be authorized to provide COPT telecommunications services in Arizona and therefore, will not have to meet any of the requirements of Decision No. 59673.

SMO:JFB:red

Originator: John F. Bostwick

Attachment: Original and Thirteen Copies

SERVICE LIST FOR: HEATH COMMUNICATIONS, INC.
DOCKET NO. T-03068A-08-0160

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Ms. Lyn Farmer
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