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BEFORE THE ARIZONA CORPORATION COMMISSION

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GARY PIERCE  
Chairman  
BOB STUMP  
Commissioner  
SANDRA D. KENNEDY  
Commissioner  
PAUL NEWMAN  
Commissioner  
BRENDA BURNS  
Commissioner

Arizona Corporation Commission

DOCKETED

JUL 25 2011

DOCKETED BY	nr
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IN THE MATTER OF THE APPLICATION )  
OF VERIZON LONG DISTANCE LLC )  
TARIFF FILING TO ADD A MONTHLY )  
RECURRING CHARGE (MRC) TO )  
VERIZON SINGLE RATE PLAN )  
(FORMERLY TARIFFED AS PLAN P )  
SERVICE) )

DOCKET NO. T-03289A-11-0156

DECISION NO. 72494

ORDER

Open Meeting  
July 12 and 13, 2011  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On April 7, 2011, Verizon Long Distance LLC ("Verizon Long Distance" or "Company") filed changes to its AZ. C.C. Tariff No. 3. Verizon Long Distance is seeking to introduce a monthly recurring maximum rate of \$6.00 to its Verizon Single Rate Plan (formerly tariffed as Plan P Service). This change effects the following tariff pages:

Arizona Telecommunications Tariff

- AZ. C.C. Tariff No. 3, Third Revised, Title Page
- AZ. C.C. Tariff No. 3, Eighth Revised, Page 1
- AZ. C.C. Tariff No. 3, Sixth Revised, Page 2
- AZ. C.C. Tariff No. 3, First Revised, Page 56
- AZ. C.C. Tariff No. 3, First Revised, Page 154

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1           2.       The proposed maximum monthly recurring charge is \$6.00 with the proposed initial  
2 rate set at \$1.99. The proposed tariff revision would apply to each residential customer line that is  
3 presubscribed to Verizon Single Rate Service.

4           3.       According to Verizon Long Distance, the proposed increase is part of an initiative  
5 throughout Verizon Long Distance's nationwide service area. The Company intends to add the  
6 monthly recurring charge ("MRC") to this optional residential calling plan in all states where the  
7 service is offered. The Company asserts that the new charge is being added as a result of  
8 competitive long distance marketplace conditions. Verizon Long Distance's proposed revision to  
9 the Verizon Single Rate Plan is consistent with MRCs currently being applied to Verizon Long  
10 Distance subscriber's accounts that are presubscribed to several other optional residential calling  
11 plans, such as Plan B Service, Plan G Service, and Plan D Service.

12           4.       On May 20, 2011, Staff issued a Data Request to Verizon Long Distance for  
13 information responsive to Title 14, Article 11, Section 1110 (Competitive Telecommunications  
14 Services) of the Arizona Administrative Code. On June 3, 2011, Verizon Long Distance provided  
15 responses to Staff's May 20, 2011 Data Request. Verizon Long Distance provided verification  
16 that it has provided notice to its customers in accordance with Commission rules. Staff has  
17 reviewed the customer notification, a copy of which was included in the filing, and has concluded  
18 that it is consistent with Commission rules.

19           5.       Since this filing increases the maximum rate for a component of a service that has  
20 been classified as competitive under the Commission's Competitive Telecommunications Services  
21 Rules, Arizona Administrative Code ("A.A.C") R14-2-1110 applies to Verizon Long Distance's  
22 proposal. Verizon Long Distance provided the information required by A.A.C. R14-2-1110 to  
23 allow Staff to determine the potential effects of approval of the filing.

24           6.       The proposed rate increase contained in this filing is for services that have been  
25 classified as competitive by the Commission and that are now subject to the Commission's  
26 Competitive Telecommunications Services Rules. Under those rules, rates for competitive  
27 services are not set according to rate of return regulation standards. Staff requested information  
28 from Verizon Long Distance to allow it to determine the potential effects of approval of the filing.

1 Verizon Long Distance indicated that as of May 25, 2011, there are two Arizona residential  
 2 customers currently on the plan that will be impacted by the proposed increase. Under the  
 3 proposed maximum rates, the Company's total annualized revenue from these two customers  
 4 would increase by \$144. Verizon Long Distance provided information that indicates the expected  
 5 effect of this filing is an increase in Verizon Long Distance's annualized Arizona revenues of less  
 6 than 1 percent.

7 7. Staff obtained information regarding Verizon Long Distance's fair value rate base.  
 8 Due to the nature of the competitive market and other factors, a fair value analysis is not  
 9 necessarily representative of the Company's operations. Therefore, while Staff considered the fair  
 10 value rate base information of Verizon Long Distance, it did not accord that information  
 11 substantial weight in its analysis of this matter.

12 8. Staff has recommended approval of this filing.

13 CONCLUSIONS OF LAW

14 1. Verizon Long Distance LLC is an Arizona public service corporation within the  
 15 meaning of Article XV, Section 2, of the Arizona Constitution.

16 2. The Commission has jurisdiction over Verizon Long Distance LLC and the subject  
 17 matter in this filing.

18 3. The Commission, having reviewed the tariff pages (copies of which are contained  
 19 in the Commission's tariff files) and Staff's Memorandum dated June 28, 2011, concludes the  
 20 tariff filing is reasonable, fair and equitable, and is therefore in the public interest.

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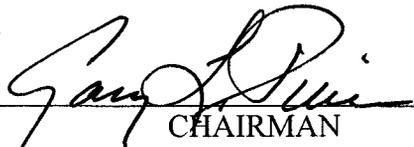
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ORDER

IT IS THEREFORE ORDERED that the tariff filing for Verizon Long Distance LLC be and hereby is approved, as discussed herein.

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

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

  
CHAIRMAN

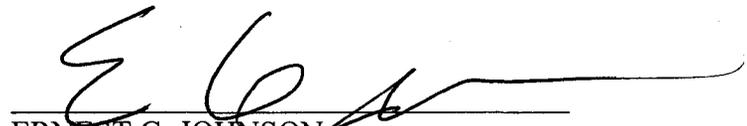
  
COMMISSIONER

  
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COMMISSIONER

IN WITNESS WHEREOF, I ERNEST G. JOHNSON, 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 25<sup>th</sup> day of July, 2011.

  
ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

SMO:PJG:sms/KAR

1 SERVICE LIST FOR: Verizon Long Distance LLC  
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