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BEFORE THE ARIZONA CORPORATION COMMISSION

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JIM IRVIN
COMMISSIONER - CHAIRMAN
RENZ D. JENNINGS
COMMISSIONER
CARL J. KUNASEK
COMMISSIONER

IN THE MATTER OF THE APPLICATION OF)
WESTERN TELE-COMMUNICATIONS, INC./)
RETAIL SALES GROUP DBA PEOPLE LINK BY)
TCL FOR A CERTIFICATE OF CONVENIENCE)
AND NECESSITY TO PROVIDE COMPETITIVE)
INTERLATA/INTRALATA RESOLD)
TELECOMMUNICATIONS SERVICES EXCEPT)
LOCAL EXCHANGE SERVICES.)

DOCKET NO. T-03518A-98-0088

DECISION NO. 61051

ORDER  DOCKETED

AUG 0 5 1998

DOCKETED BY 

Open Meeting
August 4 and 5, 1998
Phoenix, Arizona

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. On February 17, 1998, Western Tele-Communications, Inc./Retail Sales Group dba People Link by TCL ("WTC/RSRG" or "Applicant") filed with the Commission an application for a Certificate of Convenience and Necessity ("Certificate") to provide resold telecommunications service in the State of Arizona.

2. In Decision No. 58926 (December 22, 1994), the Commission found that resold telecommunications providers ("resellers") were public service corporations subject to the jurisdiction of the Commission.

3. In Decision No. 59124 (June 23, 1995), the Commission adopted A.A.C. R14-2-1101 through R14-2-1115 to regulate resellers.

4. WTC/RSRG is a Colorado corporation which has been qualified to conduct business in Arizona since 1997.

5. WTC/RSRG is a switchless reseller which purchases telecommunications services from Athena International, LLC.

1 6 On May 29, 1998, the Commission's Utilities Division Staff ("Staff") filed a Staff Report.

2 7 The Staff Report stated that WTCT/RSG provided audited financial statements for the year
3 ended 1996 for its parent company, Tele-Communications, Inc., which indicated that it had a net income
4 of \$243,000 on revenues of \$7 million, and retained earnings of \$3.6 million. Staff stated that these
5 financial statements indicate that Applicant has adequate financial resources to successfully operate in
6 Arizona.

7 8 The Staff Report stated that Applicant has no market power and the reasonableness of its
8 rates would be evaluated in a market with numerous competitors.

9 9 Staff recommended that:

10 (a) Applicant's application for a Certificate should be approved subject to A.A.C.
11 R14-2-1106.B;

12 (b) Applicant's intrastate toll service offerings should be classified as competitive
13 pursuant to A.A.C. R14-2-1108;

14 (c) Applicant's competitive services should be priced at the effective rates set forth
15 in Applicant's tariffs and the maximum rates for these services should be the maximum
16 rates proposed by Applicant in its tariffs. The minimum rates for Applicant's competitive
17 services should be Applicant's long run incremental costs of providing those services as
18 set forth in A.A.C. R14-2-1109. Any future changes to the maximum rates in Applicant's
19 tariffs must comply with A.A.C. R14-2-1110;

20 (d) Applicant should be required to comply with the Commission's rules and modify
21 its tariffs to conform with these rules, if it is determined that there is a conflict between
22 Applicant's tariffs and the Commission's rules; and

23 (e) The application may be approved without a hearing.

24 10 By Procedural Order dated June 5, 1998, the Commission set a deadline of July 6, 1998
25 for filing exceptions to the Staff Report; requesting that a hearing be set; or requesting intervention as
26 interested parties.

27 11 No exceptions were filed to the Staff Report, nor did any party request that a hearing be
28 set, nor were any requests for intervention filed with Docket Control.

CONCLUSIONS OF LAW

1 1 Applicant is a public service corporation within the meaning of Article XV of the Arizona
2 Constitution and A.R.S. §§ 40-281 and 40-282.

3 2 The Commission has jurisdiction over Applicant and the subject matter of the application.

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3 Notice of the application was given in accordance with the law.

4 The provision of competitive interLATA/intraLATA reseller services in Arizona by
5 Applicant is in the public interest.

6 Applicant is a fit and proper entity to receive a Certificate for providing competitive
7 interLATA/intraLATA reseller services in Arizona.

8 Staff's recommendations in Findings of Fact No. 9 are reasonable and should be adopted.

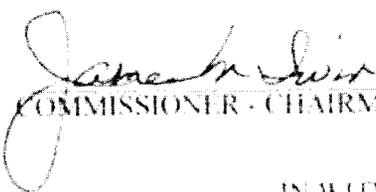
ORDER

9 IT IS HEREBY ORDERED that the application of Western Tele-Communications,
10 Inc. Retail Sales Group dba People Link by TCI for a Certificate of Convenience and Necessity for
11 authority to provide competitive interLATA/intraLATA resold telecommunications services except local
12 exchange services shall be, and the same is, hereby granted.

13 IT IS FURTHER ORDERED that Western Tele-Communications, Inc. Retail Sales Group dba
14 People Link by TCI shall comply with the Staff recommendations set forth in Findings of Fact No. 9.

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

16 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

17 
18 COMMISSIONER - CHAIRMAN

19 
20 COMMISSIONER

21 
22 COMMISSIONER

23 IN WITNESS WHEREOF, I, JACK ROSE, Executive Secretary of the Arizona
24 Corporation Commission, have hereunto set my hand and caused the official seal
25 of the Commission to be affixed at the Capitol, in the City of Phoenix, this
26 6th day of August 1998.

27 
28 JACK ROSE
EXECUTIVE SECRETARY

DISSENT
BMB:bbs

60051

1 SERVICE LIST FOR:

WESTERN TELE-COMMUNICATIONS, INC./RETAIL
SALES GROUP DBA PEOPLE LINK BY TCI

2
3 DOCKET NO.:

T-03518A-98-0088

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