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BEFORE THE ARIZONA CORPORATION COMMISSION

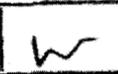
Arizona Corporation Commission

DOCKETED

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

DOCKETED BY 

IN THE MATTER OF THE APPLICATION OF)
COMCAST TELECOMMUNICATIONS, INC.)
FOR A CERTIFICATE OF CONVENIENCE)
AND NECESSITY TO PROVIDE)
INTERLATA/INTRALATA RESOLD)
TELECOMMUNICATIONS SERVICES)
EXCEPT LOCAL EXCHANGE SERVICES.)

DOCKET NO. T-03560A-98-0250

DECISION NO. 61214

ORDER

Open Meeting
October 27 and 28, 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 May 13, 1998, Comcast Telecommunications, Inc. ("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. Applicant is a Pennsylvania corporation that has been qualified to do business in Arizona since 1998.

5. Applicant is a switchless reseller which currently purchases telecommunications services

1 from Worldcom.

2 6. On August 11, 1998, the Commission's Utilities Division Staff ("Staff") filed a Staff
3 Report.

4 7. The Staff Report stated that Applicant provided audited financial statements for the year
5 ended December 31, 1997, that indicated Applicant had a net loss of \$229 million and a net worth
6 of \$1.6 billion. Applicant is a publicly traded company. Staff believed that Applicant had sufficient
7 financial resources to conduct its business in Arizona.

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

10 9. Staff recommended that:

- 11 (a) Applicant's application for a Certificate should be approved subject to A.A.C. R14-2-
12 1106.B;
- 13 (b) Applicant's intrastate toll service offerings should be classified as competitive
14 pursuant to A.A.C. R14-2-1108;
- 15 (c) Applicant's competitive services should be priced at the effective rates set forth in
16 Applicant's tariffs and the maximum rates for these services should be the maximum
17 rates proposed by Applicant in its tariffs. The minimum rates for Applicant's
18 competitive services should be Applicant's long run incremental costs of providing
19 those services as set forth in A.A.C. R14-2-1109. Any future changes to the
20 maximum rates in Applicant's tariffs must comply with A.A.C. R14-2-1110;
- 21 (d) Applicant should be required to comply with the Commission's rules and modify
22 its tariffs to conform with these rules, if it is determined that there is a conflict
23 between Applicant's tariffs and the Commission's rules; and
- 24 (e) The application may be approved without a hearing.

25 10. By Procedural Order dated August 27, 1998, the Commission set a deadline of October
26 9, 1998, for filing exceptions to the Staff Report; requesting that a hearing be set; or requesting
27 intervention as interested parties.

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

CONCLUSIONS OF LAW

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

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

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

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

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

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

ORDER

IT IS THEREFORE ORDERED that the application of Comcast Telecommunications, Inc. for a Certificate of Convenience and Necessity for authority to provide competitive interLATA/intraLATA resold telecommunications services except local exchange services shall be, and the same is, hereby granted.

1 IT IS FURTHER ORDERED that of Comcast Telecommunications, shall comply with the
2 Staff recommendations set forth in Findings of Fact No. 9.

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

4 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

5
6 *James M. Dow*
7 COMMISSIONER - CHAIRMAN

8 *[Signature]*
9 COMMISSIONER

10 *[Signature]*
11 COMMISSIONER

12 IN WITNESS WHEREOF, I, JACK ROSE, Executive
13 Secretary of the Arizona Corporation Commission, have
14 hereunto set my hand and caused the official seal of the
15 Commission to be affixed at the Capitol, in the City of Phoenix,
16 this 29th day of Oct, 1998.

17 *Jack Rose*
18 JACK ROSE
19 EXECUTIVE SECRETARY

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SERVICE LIST FOR: COMCAST TELECOMMUNICATIONS, INC.

DOCKET NO. T-03560A-98-0250

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