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BEFORE THE ARIZONA CORPORATION COMMISSION

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DOCK

2013 MAR 21

- 2 **COMMISSIONERS**
- 3 BOB STUMP- Chairman
- 4 GARY PIERCE
- 5 BRENDA BURNS
- 6 BOB BURNS
- 7 SUSAN BITTER SMITH

6 IN THE MATTER OF THE APPLICATION OF
 7 ARIZONA TELEPHONE COMPANY FOR A
 8 HEARING TO DETERMINE THE EARNINGS
 9 OF THE COMPANY, THE FAIR VALUE OF
 10 THE COMPANY FOR RATEMAKING
 11 PURPOSES, AND TO INCREASE
 12 RESIDENTIAL RATES AS NECESSARY TO
 13 COMPENSATE FOR THE RATE IMPACTS
 14 OF THE FCC'S USF/ICC
 15 TRANSFORMATION ORDER.

DOCKET NO. T-02063A-12-0473

**STAFF'S NOTICE OF FILING THE
TESTIMONY SUMMARY OF ARMANDO
F. FIMBRES**

12
13 Staff of the Arizona Corporation Commission ("Staff") hereby files the Testimony Summary
14 of Armando F. Fimbres in the above docket.

15 RESPECTFULLY SUBMITTED this 21st day of March 2013.

18 Maureen A. Scott, Senior Staff Counsel
 19 Charles H. Hains, Attorney
 20 Brian E. Smith, Attorney
 21 Legal Division
 22 Arizona Corporation Commission
 23 1200 West Washington Street
 24 Phoenix, Arizona 85007
 25 (602) 542-3402

24 Original and thirteen (13) copies
25 of the foregoing filed this
26 21st day of March 2013 with:

26 Docket Control
 27 Arizona Corporation Commission
 28 1200 West Washington Street
 Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

MAR 21 2013

DOCKETED BY

1 Copy of the foregoing mailed this
21st day of March 2013 to:

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4 Craig A. Marks, PLC
10645 North Tatum Boulevard
5 Suite 200-676
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7 Kayla Christine

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**EXECUTIVE SUMMARY OF
ARIZONA TELEPHONE COMPANY
DOCKET NO. T-02063A-12-0473**

On November 23, 2012, Arizona Telephone Company (“Arizona Telephone” or “Applicant”) filed an application for a determination of its earnings and the fair value of its investment and requested that its residential rates be increased to compensate for the rate impacts of the Federal Communication Commission’s (“FCC’s”) November 18, 2011, Universal Service Fund/Intercarrier Compensation (“USF/ICC”) Transformation Order (“USF/ICC Order”) pursuant to Arizona Revised Statute (“A.R.S.”) § 40-250 and the Arizona Corporation Commission’s (“Commission’s”) Arizona Administrative Code (“A.A.C.”) R14-2-103.

Staff recommends that the Arizona Telephone monthly residence local exchange rate increase from \$10.00 to \$14.00 to address the impact of the FCC’s USF/ICC Order. Staff believes the proposed increase is just, fair and reasonable for the following reasons:

- The increase is necessitated by the FCC’s November 18, 2011 USF/ICC Order;
- The increase is necessary to preserve the entirety of the Federal Universal Service Fund (“FUSF”) funds that may flow to Arizona Telephone pursuant to the FCC’s rules;
- The increase will minimize/reduce the amount of future rate increase; and
- The increase will allow the Applicant to receive matching funds from the FUSF.