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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

BOB STUMP - CHAIRMAN
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

ORIGINAL

IN THE MATTER OF THE APPLICATION OF
TABLE TOP TELEPHONE COMPANY, INC.,
A NEVADA CORPORATION, FOR A
HEARING TO DETERMINE THE EARNINGS
OF THE COMPANY, THE FAIR VALUE OF
THE COMPANY FOR RATEMAKING
PURPOSES, AND TO INCREASE
RESIDENTIAL RATES AS NECESSARY TO
COMPENSATE FOR THE RATE IMPACTS
OF THE FCC'S USF/ICC
TRANSFORMATION ORDER.

DOCKET NO. T-02724A-13-0416

STAFF'S NOTICE OF FILING
TESTIMONY SUMMARY OF
WILFRED SHAND

Staff of the Arizona Corporation Commission ("Staff") hereby files the Testimony Summary
of Wilfred Shand in the above docket.

RESPECTFULLY SUBMITTED this 24th day of March, 2014.

Charles H. Hains, Attorney
Maureen Scott, Senior Staff Counsel
Attorneys, Legal Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007
(602) 542-3402

Original and thirteen (13) copies of
the foregoing filed this 24th day of
March, 2014, with:

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

Arizona Corporation Commission

DOCKETED

MAR 24 2014

DOCKETED BY

1 Copy of the foregoing emailed/mailed
2 this 24th day of March, 2014, to:

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14 _____

**EXECUTIVE SUMMARY OF WILFRED SHAND
TABLE TOP TELEPHONE COMPANY, INC.
DOCKET NO. T-02724A-13-0416**

On December 4, 2013, Table Top Telephone Company, Inc. ("Table Top" 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 Statutes ("A.R.S.") §§ 40-250 and 40-367.

Staff recommends approval of Table Top Telephone Company, Inc.'s request to increase its monthly residential local exchange service rate from \$14.00 to the lesser of \$19.00 or the 2014 local service rate floor established by the FCC. Staff further recommends that the rate increase become effective on the rate floor compliance date, as determined by the FCC. 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 Table Top pursuant to the FCC's rules;
- The increase will minimize/reduce the amount of future rate increases; and
- The increase will allow the Applicant to receive matching funds from the FUSF.

Staff further recommends that any future rate increase applications filed by Table Top be processed per full A.A.C. R14-2-103 requirements, not streamlined.