

JIM IRVIN  
COMMISSIONER-CHAIR  
TONY WEST  
COMMISSIONER  
CARL J. KUNASE  
COMMISSIONER



STUART R. BRACKNEY  
ACTING EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

DATE: March 4, 1999  
DOCKET NO.: T-03198A-96-0325

TO ALL PARTIES:

Enclosed please find the recommendation of Hearing Officer Jane L. Rodda. The recommendation has been filed in the form of an Order on:

NYNEX LONG DISTANCE COMPANY  
(CC&N RESELLER)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Hearing Officer by filing an original and ten (10) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

MARCH 15, 1999

The enclosed is NOT an order of the Commission, but a recommendation of the Hearing Officer to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Working Session and Open Meeting to be held on:

MARCH 30, 1999 AND MARCH 31, 1999

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250.

  
STUART R. BRACKNEY  
ACTING EXECUTIVE SECRETARY

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

JIM IRVIN  
COMMISSIONER - CHAIRMAN  
TONY WEST  
COMMISSIONER  
CARL J. KUNASEK  
COMMISSIONER

IN THE MATTER OF THE APPLICATION OF  
NYNEX LONG DISTANCE COMPANY FOR A  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE COMPETITIVE  
RESOLD TELECOMMUNICATIONS SERVICES  
EXCEPT LOCAL EXCHANGE SERVICES.

DOCKET NO. T-03198A-96-0325

DECISION NO. \_\_\_\_\_

**ORDER**

Open Meeting  
March 30 and 31, 1999  
Phoenix, Arizona

**BY THE COMMISSION:**

Having considered the entire record herein and being fully advised in the premises, the Commission finds, concludes, and orders that:

**FINDINGS OF FACT**

1. On June 4, 1998, NYNEX Long Distance Company dba Bell Atlantic Long Distance. ("Applicant") filed with the Commission an application for a Certificate of Convenience and Necessity ("Certificate") to provide competitive resold intrastate toll telecommunications services in 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 was incorporated as an Arizona corporation in 1996.
5. Applicant is a switchless reseller and plans to utilize Sprint Communications Co., L.P. as the primary underlying carrier as well as other, as yet undetermined, carriers certified to

provide service in Arizona.

1           6.       On December 18, 1998, the Commission's Utilities Division Staff ("Staff") filed a  
2 Staff Report. Staff amended its Staff Report on January 25, 1999.

3           7.       In the amended Staff Report, Staff stated that Applicant had provided financial  
4 statements for its parent company, Bell Atlantic, for the year ending December 31, 1997, which  
5 showed income of \$2.45 billion, and stockholders equity of \$12.78 billion.

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

8           9.       Staff recommended that :

9                   (a)       Applicant's application for a Certificate should be approved without a hearing  
10 subject to A.A.C. R14-2-1106.B;

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

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

18                   (d)       Applicant should be required to comply with the Commission's rules and  
19 modify its tariffs to conform with the rules if it is determined there is a conflict  
20 between Applicant's tariffs and the Commission's rules.

21           10.       By Procedural Order dated January 12, 1999, the Commission set a deadline of  
22 February 19, 1999, for filing exceptions to the Staff Report; requesting that a hearing be set; or  
23 requesting intervention as interested parties.

24           11.       No exceptions were filed to the Staff Report, nor did any party request that a hearing  
25 be set.

### CONCLUSIONS OF LAW

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

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

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application.

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

4. Applicant's provision of resold intrastate toll services is in the public interest.

5. Applicant is a fit and proper entity to receive a Certificate for providing competitive intrastate toll services as a reseller 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 NYNEX Long Distance Company dba Bell Atlantic Long Distance for a Certificate of Convenience and Necessity for authority to provide competitive intrastate toll services shall be, and the same is hereby granted.

IT IS FURTHER ORDERED that NYNEX Long Distance Company dba Bell Atlantic Long Distance shall comply with the Staff recommendations set forth in Findings of Fact No. 9.

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

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

\_\_\_\_\_  
COMMISSIONER-CHAIRMAN      COMMISSIONER      COMMISSIONER

IN WITNESS WHEREOF, I, STUART R BRACKNEY, Acting Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this \_\_\_\_ day of \_\_\_\_, 1999.

\_\_\_\_\_  
STUART R. BRACKNEY  
ACTING EXECUTIVE SECRETARY

DISSENT \_\_\_\_\_  
JR:bbs

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SERVICE LIST FOR:

NYNEX LONG DISTANCE COMPANY

DOCKET NO.

T-03198A-96-0325

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