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OPEN MEETING

MEMORANDUM

Arizona Corporation Commission

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AZ CORP COMMISSION
DOCKET CONTROL

TO: THE COMMISSION

DOCKETED

FROM: Utilities Division

NOV 25 2014

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DATE: November 25, 2014

DOCKETED BY

RE: IN THE MATTER OF THE APPLICATION OF AT&T CORP. FOR APPROVAL OF AN ORDER RESCINDING THE BOND REQUIREMENT CONTAINED IN ACC DECISION NO. 73558 (DOCKET NO. T-20872A-14-0330)

ORIGINAL

Introduction

On September 11, 2014, AT&T Corp. ("AT&T" or "Applicant") submitted an Application requesting rescission of the \$200,000 performance bond requirement contained in Decision No. 73558.

Background

On November 8, 2005, in Decision No. 68269, the Arizona Corporation Commission ("Commission") ordered AT&T Communications of the Mountain States, Inc., to procure a performance bond equal to \$200,000. AT&T Communications of the Mountain States, Inc. docketed a notice, dated December 16, 2005, that it had procured a performance bond equal to \$200,000.

On October 17, 2012, in Decision No. 73558, the Commission approved the merger of AT&T Communications of the Mountain States, Inc. into AT&T Corp. In the same Decision, the Commission ordered AT&T to obtain and maintain a performance bond in the amount of \$200,000. AT&T docketed a notice, dated November 16, 2012, that it had secured a performance bond in compliance with Decision No. 73558. AT&T also delivered a Surety Rider to the Commission's Business Office updating ownership of the bond AT&T Communications of the Mountain States, Inc. had originally obtained. The Business Office is in possession of this Surety Rider.

Compliance

According to the Corporations Division, AT&T is in good standing. The Compliance Section of the Utilities Division reports that AT&T is currently in compliance. The Consumer Services Section of the Utilities Division reports there have been no complaints or opinions about AT&T for the period of January 1, 2011 to September 16, 2014.

Staff Recommendations

The Commission has, in appropriate circumstances, relieved telecommunications providers of the obligation to maintain a performance bond or ISDLOC. Staff recommends AT&T be relieved of the \$200,000 performance bond obligation contained in Decision Nos. 68269 and 73558.

THE COMMISSION

November 21, 2014

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The Applicant states that in order to release the bond, it is sufficient for the Commission to include in an ordering paragraph language authorizing the Applicant to cancel, rescind, discontinue and be released from the performance bond required by Decision Nos. 68269 and 73558. The Applicant also requests, based on a request from its surety company, that the ordering paragraph also reference the name of the surety company, Travelers Casualty and Surety Company of America. Staff believes it is appropriate to grant this request.

AT&T indicated to Staff the Surety Rider should be released and returned to the following name and address:

Ms. Jackie Rivera
Western Region Service Center
2535 E 40th Ave
Suite D32
Denver, CO 80205



Steven M. Olea
Director
Utilities Division

SMO:MAC:sms\BH

ORIGINATOR: Matt Connolly

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BEFORE THE ARIZONA CORPORATION COMMISSION

- BOB STUMP
Chairman
- GARY PIERCE
Commissioner
- BRENDA BURNS
Commissioner
- BOB BURNS
Commissioner
- SUSAN BITTER SMITH
Commissioner

IN THE MATTER OF THE APPLICATION)
 OF AT&T CORP. FOR APPROVAL OF AN)
 ORDER RESCINDING THE BOND)
 REQUIREMENT CONTAINED IN ACC)
 DECISION NO. 73558.)

DOCKET NO. T-20872A-14-0330
 DECISION NO. _____
ORDER

Open Meeting
 December 11 and 12, 2014
 Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On September 11, 2014, AT&T Corp. ("AT&T" or "Applicant") submitted an Application requesting rescission of the \$200,000 performance bond requirement contained in Decision No. 73558.

Background

2. On November 8, 2005, in Decision No. 68269, the Arizona Corporation Commission ("Commission") ordered AT&T Communications of the Mountain States, Inc. to procure a performance bond equal to \$200,000. AT&T Communications of the Mountain States, Inc. docketed a notice, dated December 16, 2005, that it had procured a performance bond equal to \$200,000.

3. On October 17, 2012, in Decision No. 73558, the Commission approved the application of AT&T Communications of the Mountain States, Inc. resulting in the merger of AT&T Communications of the Mountain States, Inc. into AT&T Corp. In the same Decision, the Commission ordered AT&T to obtain and maintain a performance bond in the amount of \$200,000.

1 AT&T filed notice, dated November 16, 2012, that it had secured a performance bond in compliance
2 with Decision No. 73558. AT&T also delivered a Surety Rider to the Commission's Business Office
3 updating ownership of the bond AT&T Communications of the Mountain States, Inc. had originally
4 obtained. The Business Office is in possession of this Surety Rider.

5 **Compliance**

6 4. According to the Corporations Division, AT&T is in good standing. The Compliance
7 Section of the Utilities Division reports that AT&T is currently in compliance. The Consumer Services
8 Section of the Utilities Division reports there have been no complaints or opinions about AT&T for
9 the period of January 1, 2011 to September 16, 2014.

10 **Staff Recommendations**

11 5. The Commission has, in appropriate circumstances, relieved telecommunications
12 providers of the obligation to maintain a performance bond or ISDLOC. Staff recommends AT&T
13 be relieved of the \$200,000 performance bond contained in Decision Nos. 68269 and 73558.

14 6. The Applicant states that for its bond cancellation purposes, it is sufficient for the
15 Commission to include in an ordering paragraph language authorizing the Applicant to cancel, rescind,
16 discontinue and be released from the performance bond required by Decision Nos. 68269 and 73558.
17 The Applicant also requests, based on a request from its surety company, that the ordering paragraph
18 also reference the name of the surety company, Travelers Casualty and Surety Company of America.
19 Staff believes it is appropriate to grant this request.

20 7. AT&T indicated to Staff the Surety Rider should be released and returned to the
21 following name and address:

22 Ms. Jackie Rivera
23 Western Region Service Center
24 2535 E 40th Ave
25 Suite D32
26 Denver, CO 80205

26 CONCLUSIONS OF LAW

27 1. AT&T Corp. is a public service corporation within the meaning of Article XV of the
28 Arizona Constitution.

1 IT IS FURTHER ORDERED that AT&T Corp. may cancel, rescind, discontinue and be
 2 released from any performance bond, irrevocable sight draft letter of credit or other instrument
 3 obtained in compliance with the performance bond requirement set by Decision Nos. 68269 and
 4 73558 and may direct its surety company, Travelers Casualty and Surety Company of America, to do
 5 so.

6 IT IS FURTHER ORDERED that the Surety Rider on file with the Commission on behalf of
 7 AT&T Corp. be returned to the following name and address provided by the Applicant:

8 Ms. Jackie Rivera
 9 Western Region Service Center
 10 2535 E 40th Ave
 11 Suite D32
 12 Denver, CO 80205

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

13 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

14
 15 CHAIRMAN

COMMISSIONER

16
 17
 18 COMMISSIONER

COMMISSIONER

COMMISSIONER

19 IN WITNESS WHEREOF, I, JODI JERICH, Executive
 20 Director of the Arizona Corporation Commission, have
 21 hereunto, set my hand and caused the official seal of this
 22 Commission to be affixed at the Capitol, in the City of
 23 Phoenix, this _____ day of _____, 2014.

24 _____
 25 JODI JERICH
 EXECUTIVE DIRECTOR

26 DISSENT: _____

27 DISSENT: _____

28 SMO:MAC:sms\BH

1 SERVICE LIST FOR: AT&T Corp.
2 DOCKET NO. T-20872A-14-0330

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4 Gallagher & Kennedy, P. A.
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6 11th Floor
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10 Arizona Corporation Commission
11 1200 West Washington Street
12 Phoenix, Arizona 85007

13 Ms. Janice M. Alward
14 Chief Counsel, Legal Division
15 Arizona Corporation Commission
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17 Phoenix, Arizona 85007

18 Ms. Lyn Farmer
19 Chief Administrative Law Judge
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