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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

2014 NOV 25 AM 10 10

DATE: November 25, 2014

DOCKETED BY 

RE: IN THE MATTER OF THE APPLICATION OF SBC LONG DISTANCE, LLC DBA SBC LONG DISTANCE/AT&T LONG DISTANCE FOR APPROVAL OF AN ORDER RESCINDING THE BOND REQUIREMENT CONTAINED IN ACC DECISION NO. 67809 (DOCKET NO. T-03346A-14-0332)

Introduction

ORIGINAL

On September 11, 2014, SBC Long Distance, LLC ("SBC LD" or "Applicant") submitted an Application requesting rescission of the \$100,000 performance bond contained in Decision No. 67809.

Background

On April 6, 2004, in Decision No. 66891, the Arizona Corporation Commission ("Commission") ordered SBC LD to procure a performance bond equal to \$125,000. On March 21, 2005, SBC LD docketed a copy of a \$125,000 bond it had obtained in compliance with Decision No. 66891 and delivered the original to the Commission's Business Office.

On May 5, 2005, in Decision No. 67809, the Commission ordered SBC LD to procure a performance bond equal to \$100,000 and in Decision No. 67827 to procure a performance bond equal to \$10,000. On May 5, 2005, SBC LD docketed a copy of a bond rider it obtained increasing the amount of its bond to \$235,000 in compliance with the requirements of Decision Nos. 67809 and 67827. This rider was not delivered to the Business Office.

On October 14, 2011, in Decision No. 72629, the Commission relieved SBC LD of the \$125,000 bond requirement it had imposed in Decision No. 66891. However, the \$125,000 bond was not returned and the Utilities Division Staff ("Staff") confirmed that the Business Office remains in possession of this bond.

Compliance

According to the Corporations Division, SBC LD is in good standing. The Compliance Section of the Utilities Division reports that SBC LD is currently in compliance. The Consumer Services Section of the Utilities Division reports there have been no complaints or opinions about SBC LD 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 SBC LD be

THE COMMISSION

November 25, 2014

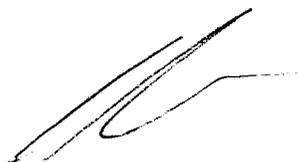
Page 2

relieved of the \$110,000 performance bond obligations contained in Decision Nos. 67809 and 67827.

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 bonds required by Decision Nos. 67809 and 67827. The Applicant requests, based upon 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.

SBC LD indicated to Staff the \$125,000 bond in possession of the Business Office should be released and returned to the following name and address:

AT&T
C/O Richard T. Howell
208 S Akard Street
Room 2510.02
Dallas, Texas 75202



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 SBC LONG DISTANCE, LLC DBA SBC
 LONG DISTANCE / AT&T LONG
 DISTANCE FOR APPROVAL OF AN
 ORDER RESCINDING THE BOND
 REQUIREMENT CONTAINED IN ACC
 DECISION NO. 67809

DOCKET NO. T-03346A-14-0332
 DECISION NO. _____
ORDER

Open Meeting
 December 11 and 12, 2014
 Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On September 11, 2014, SBC Long Distance, LLC ("SBC LD" or "Applicant") submitted an Application requesting rescission of the \$100,000 performance bond requirement contained in Decision No. 67809.

Background

2. On April 6, 2014, in Decision No. 66891, the Arizona Corporation Commission ("Commission") ordered SBC LD to procure a performance bond equal to \$125,000. On March 21, 2005, SBC LD docketed a copy of a \$125,000 bond it had obtained in compliance with Decision No. 66891 and delivered the original to the Commission's Business Office.

3. On May 5, 2005, in Decision No. 67809, the Commission ordered SBC LD to procure a performance bond equal to \$100,000 and in Decision No. 67827 to procure a performance bond equal to \$10,000. On May 5, 2005, SBC LD docketed a copy of a bond rider it obtained increasing the

1 amount of its bond to \$235,000 in compliance with the requirements of Decision Nos. 67809 and
2 67827. This rider was not delivered to the Business Office.

3 4. On October 14, 2011, in Decision No. 72629, the Commission relieved SBC LD of the
4 \$125,000 bond requirement it had imposed in Decision No. 66891. However, the \$125,000 bond was
5 not returned and Utilities Division Staff ("Staff") confirmed that the Business Office remains in
6 possession of this bond.

7 **Compliance**

8 5. According to the Corporations Division, SBC LD is in good standing. The Compliance
9 Section of the Utilities Division reports that SBC LD is currently in compliance. The Consumer
10 Services Section of the Utilities Division reports there have been no complaints or opinions about
11 SBC LD for the period of January 1, 2011 to September 16, 2014.

12 **Staff Recommendations**

13 6. The Commission has, in appropriate circumstances, relieved telecommunications
14 providers of the obligation to maintain a performance bond or ISDLOC. Staff recommends SBC LD
15 be relieved of the \$110,000 performance bond obligations contained in Decision Nos. 67809 and
16 67827.

17 7. The Applicant states that in order to release the bond, it is sufficient for the
18 Commission to include in an ordering paragraph language authorizing the Applicant to cancel, rescind,
19 discontinue and be released from the performance bonds required by Decision Nos. 67809 and 67827.
20 The Applicant also requests, based on a request from its surety company, that the ordering paragraph
21 also reference the name of the surety company, Travelers Casualty and Surety Company of America.
22 Staff believes it is appropriate to grant this request.

23 8. SBC LD indicated to Staff the \$125,000 bond in possession of the Business Office
24 should be released and returned to the following name and address:

25 AT&T
26 C/O Richard T. Howell
27 208 S Akard Street
28 Room 2510.02
Dallas, Texas 75202

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CONCLUSIONS OF LAW

1. SBC Long Distance, LLC is a public service corporation within the meaning of Article XV of the Arizona Constitution.

2. The Commission has jurisdiction over SBC Long Distance, LLC and the subject matter in this filing.

3. The Commission, having reviewed the filing and Staff's Memorandum dated November 25, 2013, concludes that it is in the public interest to approve the SBC Long Distance, LLC Application as proposed and discussed herein.

ORDER

IT IS THEREFORE ORDERED that the Application of SBC Long Distance, LLC to terminate the performance bond requirement contained in Decision No. 67809 be and hereby is approved.

IT IS FURTHER ORDERED that the performance bond requirement contained in Decision No. 67827 is hereby terminated.

IT IS FURTHER ORDERED that SBC Long Distance, LLC may cancel, rescind, discontinue and be released from any performance bond, irrevocable sight draft letter of credit or other instrument obtained in compliance with the performance bond or irrevocable sight draft letter of credit requirements set by Decision Nos. 67809 and 67827 and may direct its surety company, Travelers Casualty and Surety Company of America, to do so.

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1 IT IS FURTHER ORDERED that any performance bond on file with the Commission on
2 behalf of SBC Long Distance, LLC be returned to the following name and address provided by the
3 Applicant:

4 AT&T
5 C/O Richard T. Howell
6 208 S Akard Street
7 Room 2510.02
8 Dallas, Texas 75202

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

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

11
12 CHAIRMAN

COMMISSIONER

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15 COMMISSIONER

COMMISSIONER

COMMISSIONER

16
17 IN WITNESS WHEREOF, I, JODI JERICH, Executive
18 Director of the Arizona Corporation Commission, have
19 hereunto, set my hand and caused the official seal of this
20 Commission to be affixed at the Capitol, in the City of
21 Phoenix, this _____ day of _____, 2014.

22 _____
23 JODI JERICH
24 EXECUTIVE DIRECTOR

25
26 DISSENT: _____

27 DISSENT: _____

28 SMO:MAC:sms\BH

1 SERVICE LIST FOR: SBC Long Distance, LLC
2 DOCKET NO. T-03346A-14-0332

3 Mr. Michael Grant
4 Gallagher & Kennedy, P. A.
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7 Phoenix, Arizona 85016-9225

8 Mr. Steven M. Olea
9 Director, Utilities Division
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
16 1200 West Washington Street
17 Phoenix, Arizona 85007

18 Ms. Lyn Farmer
19 Chief Administrative Law Judge
20 Arizona Corporation Commission
21 1200 West Washington Street
22 Phoenix, Arizona 85007

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