

OPEN MEETING

MEMORANDUM



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ORIGINAL

TO: THE COMMISSION
FROM: Utilities Division
DATE: November 24, 2015

RECEIVED
AZ CORP COMMISSION
DOCKET CONTROL

2015 NOV 24 AM 8 31

RE: IN THE MATTER OF THE APPLICATION OF SPRINT COMMUNICATIONS COMPANY L.P. TO DISCONTINUE RESIDENTIAL LONG DISTANCE SERVICE IN ARIZONA. (DOCKET NO. T-02432B-15-0205)

INTRODUCTION

On June 22, 2015, Sprint Communications Company L.P. ("Applicant" or "Sprint" or "Company") submitted an Application to discontinue Sprint's residential intrastate long distance services and associated features. A competitive carrier proposing to discontinue or abandon service must comply with the requirements of Arizona Administrative Code ("A.A.C.") R14-2-1107. As discussed below, Sprint has complied with the requirements of R14-2-1107 and Staff recommends approval of the Company's Application.

BACKGROUND

Sprint was granted a Certificate of Convenience and Necessity ("CC&N") by the Arizona Corporation Commission ("Commission") to provide interLATA telecommunications services in Decision No. 54480 dated April 25, 1985.

Pursuant to A.A.C. R14-2-1107, a carrier providing competitive telecommunications local or interexchange service must file an application with the Commission which sets forth the following information:

- a. Any reasons for the proposed discontinuance of service or abandonment of service area;
- b. Verification that all affected customers have been notified of the proposed discontinuance or abandonment, and that all affected customers will have access to an alternative local exchange service provider or interexchange service provider;
- c. Where applicable, a plan for the refund of deposits collected pursuant to subsection R14-2-503(B); and
- d. A list of all alternative utilities providing the same or similar service within the affected geographic area.

Arizona Corporation Commission

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STAFF ANALYSIS

In its Application, Sprint stated due to changing market conditions the Company had determined it should discontinue residential wireline long-distance services and associated features. The specific Sprint residential wireline long-distance services and associated features to be discontinued are Message Telecommunications Service (i.e., 1+ long distance), FONCARD, Directory Assistance, and Operator Service (collectively, the "Sprint Services"), as well as all consumer pricing plans associated with these services. Sprint is not discontinuing long-distance services to its business customers at this time. Sprint has 4,539 Arizona residential customers affected by this Application.

In its Application, Sprint provided a list of alternative utilities providing the same or similar services within the affected geographic area and certified that no customer deposits are held by Sprint for the affected customers.

Sprint published legal notice of its Application to discontinue or abandon local exchange or interexchange services in all counties affected by the Application. Sprint published this notice in all fifteen (15) counties of Arizona between August 12, 2015 and August 19, 2015. Sprint included with its Application a notice required by the Federal Communications Commission ("FCC") that was also sent to affected customers June 15, 2015 and June 19, 2015.

Sprint informed Staff that as of November 12, 2015, only about 30 percent of the affected customers had selected a new long distance carrier and that if approval of this matter is received at the December Open Meeting the following disconnect process for the balance of customers will occur between December 13, 2015 and January 10, 2016. Sprint will process a system disconnect and place a recording on the customer's account directing them to contact their Local Service Provider to select a new long distance carrier. These disconnects will be processed weekly based on the customer's current bill date.

In its June notice, Sprint informed customers that they should contact their local phone company as soon as possible to find out which carriers are accepting pre-subscribed customers. The Staff test-called two Arizona local exchange carriers. The first provider said that Sprint no longer provides long distance service. It informed Staff that it had switched many Sprint callers to its long distance service but does not provide the names of alternate providers. The second provider advised that Sprint is no longer providing service, and it also has no list of alternative providers.

To ensure that customers are able to access a list of alternative providers, Sprint provided a final notice to its Arizona customers explaining how customers could obtain access to a list of alternative providers. The Notice also provided customers with Sprint's and the Consumer Services Division's telephone numbers in the event questions or problems arose. Sprint mailed the final notice on November 19, 2015.

Sprint informed Staff that as of November 15, 2015, it had received no complaints from Arizona customers regarding its Application.

Sprint received authority on September 29, 2015, from the FCC to cease provisioning of certain interstate wireline consumer long-distance services and associated features in each of the United States, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands.¹

COMPLAINTS AND COMPLIANCE

The Compliance Section of the Utilities Division reports no delinquencies for Sprint. The Consumer Services Section of the Utilities Division reports between January 1, 2012 and June 29, 2015 there are three (3) complaints: one (1) marketing, one (1) quality of service and one (1) billing registered against Sprint in 2015 and one (1) complaint registered regarding restriction of service in 2012. All complaints have been resolved and closed. Sprint filed its 2014 Utilities Annual Report on April 13, 2015. Sprint was not required to file a bond or letter of credit with the Commission.

STAFF RECOMMENDATIONS

For the above stated reasons, Staff recommends approval of Sprint's Application to discontinue its residential intrastate wireline long distance services and associated features. Upon approval of Sprint's Application, Sprint will file an amendment to its Arizona Tariff C.C. No. 2 indicating that Sprint no longer offers intrastate residential long distance services.

Staff further recommends the Applicant provide notice to Docket Control within thirty (30) days following completion of the aforementioned customer disconnect process.



Thomas M. Broderick
Director
Utilities Division

TMB:MAC:red\MAS

ORIGINATOR: Matt Connolly

¹ See *In the Matter of Section 63.71 Application of Sprint Communications Company L.P.*, W.C. Docket No. 15-186, Order DA 15-1098, dated September 29, 2015.

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BEFORE THE ARIZONA CORPORATION COMMISSION

SUSAN BITTER SMITH
Chairman
BOB STUMP
Commissioner
BOB BURNS
Commissioner
DOUG LITTLE
Commissioner
TOM FORESE
Commissioner

IN THE MATTER OF THE APPLICATION)
OF SPRINT COMMUNICATIONS)
COMPANY L.P. TO DISCONTINUE)
RESIDENTIAL LONG DISTANCE)
SERVICE IN ARIZONA.)

DOCKET NO. T-02432B-15-0205
DECISION NO. _____
ORDER

Open Meeting
December 8 and 9, 2015
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On June 22, 2015, Sprint Communications Company L.P. (“Applicant” or “Sprint” or “Company”) submitted an Application to discontinue Sprint’s residential intrastate long distance services and associated features.

2. A competitive carrier proposing to discontinue or abandon service must comply with the requirements of Arizona Administrative Code (“A.A.C.”) R14-2-1107. As discussed below, Sprint has complied with the requirements of R14-2-1107 and Staff recommends approval of the Company’s Application.

Background

3. On April 13, 2010, Sprint was granted a Certificate of Convenience and Necessity (“CC&N”) by the Arizona Corporation Commission (“Commission”) to provide interLATA telecommunications services in Decision No. 54480 dated April 25, 1985.

...

1 4. Pursuant to A.A.C. R14-2-1107, a carrier providing competitive telecommunications
2 local or interexchange service must file an application with the Commission which sets forth the
3 following information:

- 4 a. Any reasons for the proposed discontinuance of service or abandonment of service
5 area;
- 6 b. Verification that all affected customers have been notified of the proposed
7 discontinuance or abandonment, and that all affected customers will have access to an
8 alternative local exchange service provider or interexchange service provider;
- 9 c. Where applicable, a plan for the refund of deposits collected pursuant to subsection
10 R14-2-503(B); and
- 11 d. A list of all alternative utilities providing the same or similar service within the affected
12 geographic area.

13 **Staff Analysis**

14 5. In its June 22, 2015 Application, Sprint stated due to changing market conditions the
15 Company had determined it should discontinue residential wireline long-distance services and
16 associated features.

17 6. The specific Sprint residential wireline long-distance services and associated features to
18 be discontinued are Message Telecommunications Service (i.e., 1+ long distance), FONCARD,
19 Directory Assistance, and Operator Service (collectively, the "Sprint Services"), as well as all consumer
20 pricing plans associated with these services. Sprint is not discontinuing long-distance services to its
21 business customers at this time. Sprint has 4,539 Arizona residential customers affected by this
22 Application.

23 7. In its Application, Sprint provided a list of alternative utilities providing the same or
24 similar services within the affected geographic area and certified that no customer deposits are held by
25 Sprint for the affected customers.

26 8. Sprint published legal notice of its Application to discontinue or abandon residential
27 interexchange services in all counties affected by the Application. Sprint published notice in fifteen
28 (15) counties of Arizona between August 12, 2015 and August 19, 2015. Sprint also included with its

1 Application a notice required by the Federal Communications Commission ("FCC") that was also sent
2 to affected customers between June 15, 2015 and June 19, 2015.

3 9. Sprint informed Staff that as of November 12, 2015, only about 30 percent of these
4 customers had selected a new long distance carrier and that if approval of this matter is received at the
5 December Open Meeting the following disconnect process for the balance of customers will occur
6 between December 13, 2015 and January 10, 2016. Sprint will process a system disconnect and place
7 a recording on the customer's account directing them to contact their Local Service Provider to select
8 a new long distance carrier. These disconnects will be processed weekly based on the customer's
9 current bill date.

10 10. In its June notice, Sprint informed customers that they should contact their local
11 phone company as soon as possible to find out which carriers are accepting pre-subscribed customers.
12 The Staff test-called two Arizona local exchange carriers. The first provider said that Sprint no longer
13 provides long distance service. It informed Staff that it had switched many Sprint callers to its long
14 distance service but does not provide the names of alternate providers. The second provider advised
15 that Sprint is no longer providing service, and it also has no list of alternative providers.

16 11. To ensure that customers are able to access a list of alternative providers, Sprint
17 provided a final notice to its Arizona customers explaining how customers could obtain access to a list
18 of alternative providers. The Notice also provided customers with Sprint's and the Consumer
19 Services Division's telephone numbers in the event questions or problems arose. Sprint mailed the
20 final notice on November 19, 2015.

21 12. Sprint informed Staff that as of November 15, 2015, it had received no complaints
22 from Arizona customers regarding its Application.

23 13. Sprint stated it received authority on September 29, 2015, from the FCC to cease the
24 provisioning of certain wireline consumer interstate long-distance services and associated features in
25 each of the United States, the District of Columbia, Guam, Puerto Rico and the U.S Virgin Islands.¹

26 ...

27 _____

28 ¹ See *In the Matter of Section 63.71 Application of Sprint Communications Company L.P.*, W.C. Docket No. 15-186, Order DA 15-1098, dated September 29, 2015.

Complaints and Compliance

14. The Compliance Section of the Utilities Division reports no delinquencies for Sprint. The Consumer Services Section of the Utilities Division reports between January 1, 2012 and June 29, 2015 there are three (3) complaints: one (1) marketing, one (1) quality of service and one (1) billing registered against Sprint in 2015 and one (1) complaint registered regarding restriction of service in 2012. All complaints have been resolved and closed. Sprint filed its 2014 Utilities Annual Report on April 13, 2015. Sprint was not required to file a bond or letter of credit with the Commission.

Staff Recommendations

15. For the above stated reasons, Staff recommends approval of Sprint's Application to discontinue its residential intrastate wireline long distance services and associated features. Upon approval of Sprint's Application, Sprint will file an amendment to its Arizona Tariff C.C. No. 2 indicating that Sprint no longer offers intrastate residential long distance services.

16. Staff further recommends the Applicant provide notice to Docket Control within thirty (30) days following completion of the aforementioned customer disconnect process.

CONCLUSIONS OF LAW

1. Sprint Communications Company L.P. is a public service corporation within the meaning of Article XV of the Arizona Constitution.

2. The Commission has jurisdiction over Sprint Communications Company L.P. and the subject matter in this filing.

3. The Commission, having reviewed the filing and Staff's Memorandum dated November 24, 2015, concludes that it is in the public interest to approve the Sprint Communications Company L.P. Application as proposed and discussed herein.

ORDER

IT IS THEREFORE ORDERED that the Application of Sprint Communications Company L.P. to discontinue its residential long distance services and associated features be and hereby is approved.

IT IS FURTHER ORDERED the Applicant file an amendment to its Arizona Tariff C.C. No. 2 to indicate no residential customers may use Sprint's intrastate long distance services.

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IT IS FURTHER ORDERED the Applicant provide notice to Docket Control within thirty (30) days following completion of the aforementioned customer disconnect process.

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

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, JODI JERICH, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2015.

JODI JERICH
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

TMB:MAC:red\MAS

1 SERVICE LIST FOR: Sprint Communications Company L.P.
2 DOCKET NO. T-02432B-15-0205

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