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MEMORANDUM

AZ CORP COMMISSION
DOCKET CONTROL

2017 JUN -7 A 10: 57

TO: Docket Control
FROM: Elijah O. Abinah
Director
Utilities Division

DATE: June 7, 2017

RE: IN THE MATTER OF NETWORK ENHANCED TECHNOLOGIES, INC.
FOR APPROVAL TO CANCEL THEIR CERTIFICATE OF CONVENIENCE
AND NECESSITY. (DOCKET NO. T-03257A-17-0129)

Attached is the Staff Report for the above referenced application. The Applicant is applying for approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Competitive Resold Interexchange Services

Staff recommends cancellation of the CC&N.

EOA:LLM:nr/BG

Originator: Lori L. Morrison

Arizona Corporation Commission

DOCKETED

JUN 07 2017


DOCKETED BY

Network Enhanced Technologies, Inc.
Docket No. T-03257A-17-0129

On this 7th day of June, 2017, the foregoing document was filed with Docket Control as a Staff Report, and copies of the foregoing were mailed on behalf of the Utilities Division to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

NETWORK ENHANCED TECHNOLOGIES, INC.
DOCKET NO. T-03257A-17-0129

IN THE MATTER OF NETWORK ENHANCED TECHNOLOGIES, INC. FOR APPROVAL
TO CANCEL THEIR CERTIFICATE OF CONVENIENCE AND NECESSITY

June 7, 2017

STAFF ACKNOWLEDGEMENT

The Staff Report for the application of Network Enhanced Technologies, Inc., Docket No. T-03257A-17-0129, for approval to cancel its Certificate of Convenience and Necessity was the responsibility of the staff member listed below. Lori Morrison was responsible for the review and analysis of the application.

Lori Morrison
Public Utilities Analyst

INTRODUCTION

On May 9, 2017, Network Enhanced Technologies, Inc. ("NETI" or "Company") submitted a letter requesting Commission approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide telecommunications services within the State of Arizona. In its letter, NETI also requested a waiver of the direct customer notice requirements in Arizona Administrative Code ("A.A.C.") R14-2-1107(A) and published notice requirements in R14-2-1107(B).

On May 10, 2017, NETI filed an update to the cancellation letter with correct contact information that was not previously provided.

BACKGROUND

On February 19, 1999, in Decision No. 61532, the Commission granted NETI a CC&N to provide competitive interLATA/intraLATA resold telecommunications services, except local exchange services, within the State of Arizona.

STAFF'S ANALYSIS

In its May 9, 2017 letter, NETI stated it is no longer providing service or doing business in Arizona and stopped providing service in Arizona by no later than December 1, 2016. Because it has no customers in Arizona, there are no customers to notify and NETI requests a waiver of the notice of discontinuance of services to customers in A.A.C. R14-2-1107(A). In addition, because there are no customers, no counties are affected by the discontinuance of service and NETI also requests a waiver of the published notice requirements in affected counties in A.A.C. R14-2-1107(B).

The Consumer Services Section of the Utilities Division reports that there have been no complaints, inquiries, or opinions filed against NETI from January 1, 2014 to May 24, 2017. NETI filed its 2015 Utilities Annual Report on April 15, 2016 but did not file a 2016 Utilities Annual Report. According to the Corporations Division, NETI is not in Good Standing for failure to file an Annual Corporation Report on February 26, 2017. The Compliance Section reports that there are no current compliance delinquencies for NETI.

RECOMMENDATION

Network Enhanced Technologies, Inc. is not currently providing resold telecommunications services to any customers in Arizona. Staff recommends that NETI's CC&N to provide competitive interLATA/intraLATA resold interexchange telecommunications services be cancelled. In addition, Staff recommends approval of NETI's request for a waiver of the requirements to provide direct notice to affected customers and publish notice requirements contained in A.A.C. R14-2-1107. Staff further recommends the cancellation of NETI's tariff that is on file with this Commission.

Network Enhanced Technologies, Inc.

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Upon cancellation of its CC&N, NETI will no longer be authorized to provide competitive interLATA/intraLATA resold interexchange telecommunications services in Arizona and therefore, will no longer be subject to the requirements of Decision No. 61532.