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MEMORANDUM

TO: Docket Control
FROM: Elijah O. Abinah
Director
Utilities Division
DATE: June 29, 2017

Arizona Corporation Commission

DOCKETED

JUN 29 2017

DOCKETED BY

RE: IN THE MATTER OF THE APPLICATION OF SNET AMERICA, INC. FOR APPROVAL TO REQUEST VOLUNTARY DECERTIFICATION AND SURRENDERING OF OPERATING AUTHORITY OF SNET AMERICA, INC. (DOCKET NO. T-03116A-17-0146)

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 InterLATA/IntraLATA Resold Telecommunications Services

Staff recommends cancellation of the CC&N.

EOA:LLM:elr/MAS

Originator: Lori L. Morrison

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SNET America, INC.
Docket No. T-03116A-17-0146

On this 29 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

SNET AMERICA, INC.
DOCKET NO. T-03116A-17-0146

IN THE MATTER OF THE APPLICATION OF SNET AMERICA, INC. FOR APPROVAL
TO REQUEST VOLUNTARY DECERTIFICATION AND SURRENDERING OF
OPERATING AUTHORITY OF SNET AMERICA, INC.

June 29, 2017

STAFF ACKNOWLEDGEMENT

The Staff Report for the application of SNET America, Inc., Docket No. T-03116A-17-0146, for approval to cancel its Certificate of Convenience and Necessity ("CC&N") was the responsibility of the staff member listed below. Lori Morrison was responsible for the review and analysis of the application.

Ranelle Paladino

Lori Morrison
Public Utilities Analyst

*for
Lori Morrison*

INTRODUCTION

On May 19, 2017, SNET America, Inc. (“SNET” or “Company”) submitted a letter stating it is requesting voluntary decertification and surrendering of operating authority of SNET within the State of Arizona.

BACKGROUND

On July 30, 1997, in Decision No. 60314, the Arizona Corporation Commission (“Commission”) granted SNET a Certificate of Convenience and Necessity (“CC&N”) to provide competitive InterLATA/IntraLATA resold telecommunications services, except local exchange services, within the State of Arizona.

On April 2, 2014, Citizens Telecommunications Company of the White Mountains, Inc. dba Frontier Communications of the White Mountains, Citizens Utilities Rural Company, Inc. dba Frontier Citizens Utilities Rural, Navajo Communications Company, Inc. dba Frontier Navajo Communications Company and Frontier Communications of the Southwest Inc., on behalf of their parent corporation, Frontier Communications Corporation (“Frontier”), filed an Application at the Commission for a Limited Waiver of the Affiliated Interest Rules in relation to Frontier’s proposed acquisition of The Southern New England Telephone Company (“SNETC”) and SNET from AT&T Inc. The waiver became effective on the 31st day following the filing of the Application and the docket was subsequently administratively closed in Administrative Closure Number 74584, dated July 22, 2014.

STAFF’S ANALYSIS

SNET states¹ it never had any customers in Arizona. Because SNET has no customers in Arizona, there were no customers to notify and SNET requests² a waiver of the notice of discontinuance of services to customers in Arizona Administrative Code (“A.A.C.”) R14-2-1107(A). In addition, because there are no customers, no counties are affected by the discontinuance of service, and SNET also requests³ 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 SNET from January 1, 2014 to May 25, 2017. SNET filed its 2016 Annual Utilities Report on May 16, 2017. SNET is in Good Standing with the Corporations Division. The Compliance Section reports that there are no current compliance delinquencies for SNET.

¹ SNET response to Staff Data Request (“SDR”) STF. 1.11(a) and Affidavit provided in response to STF 11.1(c) states SNET certifies it has no customers to notify because there are no current customers in Arizona. SNET America, Inc. was the result of the purchase of SNET America in the state of Connecticut and there weren’t any Arizona customers transferred with the purchase.

² SNET response to SDR STF 2.1(a).

³ SNET response to SDR STF 2.1(b).

RECOMMENDATION

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

Upon cancellation of its CC&N, SNET will no longer be authorized to provide competitive InterLATA/IntraLATA resold telecommunications services in Arizona and therefore, will no longer be subject to the requirements of Decision No. 60314.