

## NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* first as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council or the Attorney General. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Register* after the final rules have been submitted for filing and publication.

### NOTICE OF FINAL RULEMAKING

#### TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION

#### CHAPTER 2. CORPORATION COMMISSION – FIXED UTILITIES

#### PREAMBLE

- 1. Sections Affected**  
R14-2-1107
- Rulemaking Action**  
Amend.
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**  
Authorizing statutes: A.R.S. §§ 40-202, 40-203, 40-321, 40-441, and 40-442 et seq.  
Constitutional authority: Arizona Constitution, Article XV  
Implementing statute: Not applicable
- 3. The effective date of the rules:**  
April 26, 2004. These rules are effective in accordance with A.R.S. § 41-1032. These rules were approved by the Commission in Commission Decision No. 65798 on April 9, 2003.
- 4. A list of all previous notices appearing in the Register addressing the final rule:**  
Notice of Rulemaking Docket Opening: 9 A.A.R. 2281, July 3, 2003  
Notice of Proposed Rulemaking: 9 A.A.R. 2269, July 3, 2003
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**  
Name: Gary Horton, Commission Counsel, Legal Division  
Address: Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007  
Telephone: (602) 542-3402  
Fax: (602) 542-4870  
E-mail: ghorton@admin.cc.state.az.us
- 6. An explanation of the rule, including the agency's reason for initiating the rule:**  
Staff's proposed amendment is necessary to require interexchange service providers who seek to abandon, sell, or otherwise transfer customers to comply with application and notice regulations currently imposed on local exchange carriers. Customers must be assured that any changes by telecommunications service providers are reviewed and approved by the Commission. When a carrier intends to no longer provide service and abandon or transfer customers, the carrier must be required to provide advance notice and an opportunity for customers to choose an alternative provider. Currently, there are no state rules setting out interexchange carrier application and notice requirements.
- 7. A reference to any study relevant to the rule that the agency reviewed and either relied on or did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**  
None
- 8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**  
The Commission believes that the proposed rule amendments for interexchange carriers are necessary to protect consumers from sudden, unauthorized abandonment or transfer of their long distance service. The amendments will enhance public safety, quality of service, and are in the best interest of all citizens in the state of Arizona.

Notices of Final Rulemaking

**9. The summary of the economic, small business, and consumer impact:**

Small Business Subject to the Rules: These rules are designed to protect public safety and provide consumer awareness and advance opportunity to choose an alternative service provider so as to eliminate possible service interruptions.

The rule amendments will protect small businesses and all consumers from sudden abandonment of long distance telecommunications service or transfer to higher-cost carrier.

The proposed rules are the least costly, most efficient method for obtaining compliance with the minimum service standards. The rules do not impose additional standards on carriers already subject to federal requirements. There is no less intrusive method.

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

There have been no changes from the proposed rule.

**11. A summary of the principal comments and the agency response to them:**

No comments were filed and no one appeared at the time held for public comment.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None

**13. Incorporations by reference and their location in the rules:**

None

**14. Was this rule previously made as an emergency rule?**

No

**15. The full text of the rules follows:**

**TITLE 14. PUBLIC SERVICE CORPORATIONS; CORPORATIONS AND ASSOCIATIONS; SECURITIES REGULATION**

**CHAPTER 2. CORPORATION COMMISSION – FIXED UTILITIES**

**ARTICLE 11. COMPETITIVE TELECOMMUNICATIONS SERVICES**

Section

R14-2-1107. Application to Discontinue or Abandon Local Exchange ~~Service Area~~ or Interexchange Services

**ARTICLE 11. COMPETITIVE TELECOMMUNICATIONS SERVICES**

**R14-2-1107. Application to Discontinue or Abandon Local Exchange ~~Service Area~~ or Interexchange Services**

- A.** Any telecommunications company providing competitive local exchange or interexchange service on a resold or facilities-based basis that intends to discontinue service or to abandon all or a portion of its service area shall file an application for authorization with the Commission setting forth the following:
1. Any reasons for the proposed discontinuance of service or abandonment of service area;
  2. 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;
  3. Where applicable, a plan for the refund of deposits collected pursuant to subsection R14-2-503(B);
  4. A list of all alternative utilities providing the same or similar service within the affected geographic area.
- B.** When the Application is submitted to the Docket Control Center, it will not be filed until it is found to be in proper form. No later than 20 days after the Application is filed, the telecommunications company shall publish legal notice of the Application in all counties affected by the Application. The legal notice shall describe with particularity the substance of the Application. Interested persons shall have 30 days from the publication of legal notice to file objections to the Application, to request a hearing, and to submit a motion to intervene in the proceeding.
- C.** Once proper notice is effected and if no objection is filed, the Commission may grant the application without a hearing.