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MEMORANDUM

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TO: Docket Control
Arizona Corporation Commission

THRU Matt Rowell *MR*
Chief
Economics and Research

FROM: *EJ*
Ernest G. Johnson
Director
Utilities Division

DATE: January 10, 2002

RE: **APPLICATION CANCELLATION - IN THE MATTER OF THE APPLICATION OF LIGHTSOURCE TELECOM I LLC FOR CANCELLATION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY. (DOCKET NO. T-03940A-01-0970)**

Attached is the Staff Report for the above referenced application. Staff is recommending cancellation of the CC&N without a hearing.

Originator: Anthony Gatto

Attachment: Original and Ten Copies

Arizona Corporation Commission

DOCKETED

JAN 10 2002

DOCKETED BY	<i>nae</i>
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Service List for: Lightsource Telecom I LLC
Docket No. (T-03940A-01-0970)

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Senior Counsel
Lightsource Telecom I LLC
29225 Chagrin Blvd. Suite 100
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Arizona Corporation Commission
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Mr. Ernest G. Johnon
Director, Utilities Division
Arizona Corporation Commission
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Phoenix, Arizona 85007

Ms. Lyn Farmer
Director, Hearing Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

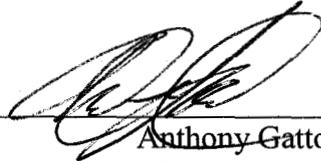
LIGHTSOURCE TELECOM I LLC
DOCKET NO. T-03940A-01-0970

IN THE MATTER OF THE APPLICATION OF
LIGHTSOURCE TELECOM I LLC FOR
CANCELLATION OF ITS CERTIFICATE OF CONVENIENCE
AND NECESSITY

JANUARY 10, 2002

STAFF ACKNOWLEDGEMENT

The Staff member designated below contributed elements of this Staff Report.

A handwritten signature in black ink, appearing to read 'A. Gatto', is written over a horizontal line.

Anthony Gatto
Public Utility Analyst IV

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Introduction:

On December 14, 2001, LightSource Telecom I, LLC ("LightSource " or "Applicant") filed with the Commission a letter requesting cancellation of its Certificate of Convenience and Necessity ("Certificate").

Background and Staff Analysis:

LightSource was approved to offer competitive local exchange telecommunications services in Arizona as a facilities-based carrier in Decision No. 64178. LightSource stated that it never offered competitive local exchange services in Arizona, and has no customers in Arizona. LightSource does not service any intrastate customers, and there are no prepayments, deposits, or advances that would be at risk by cancellation of LightSource's CC&N. Because LightSource has never served any Arizona customers, Staff does not believe that the provisions of R14-2-1107 apply. Also, since LightSource has never served any Arizona customers, Staff recommends that the CC&N be cancelled without a hearing.

Since LightSource does not serve any Arizona customers, and there are numerous other carriers offering similar services, Staff believes that granting this application for cancellation is in the public interest.

Recommendations:

Staff recommends cancellation of LightSource's Certificate of Convenience and Necessity.

Staff further recommends that the application be approved without a hearing.

DIRECTOR

NEW APPLICATION

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lightsource
telecom™

December 13, 2001

Anthony
29225 CHAGIN BLD
CLEVELAND OHIO
SUITE 100
CLEVELAND
44122

T-03940A-01-0970

703-292-8810

VIA OVERNIGHT MAIL

Arizona Corporation Commission
Docket Control Center
1200 West Washington
Phoenix, AZ 85007-2996

Re: Application Of LightSource Telecom I, LLC For Authority to Abandon Local Exchange Service Area and Cancel its Certificate of Public Convenience and Necessity, Docket No. T-03940A-00-0771

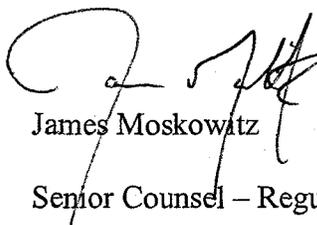
Dear Sir/Madam:

Enclosed please find an original and ten (10) copies of an Application For Authority to Abandon Local Exchange Service Area and Cancel the Certificate of Public Convenience and Necessity for LightSource Telecom I, LLC in the above referenced docket.

Please date-stamp the enclosed extra copy of this filing and return it in the enclosed self-addressed, postage paid envelope.

Please do not hesitate to contact the undersigned at (703) 648-3407 or Craig Shopneck at (216) 292-4400 if you have any questions concerning this filing.

Respectfully submitted,



James Moskowitz

Senior Counsel - Regulatory Affairs

ARIZONA CORPORATION
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Director of Utilities

**BEFORE THE
ARIZONA CORPORATE COMMISSION**

In the Matter of the)	
)	
APPLICATION OF)	
LightSource Telecom I, LLC)	Docket No. _____
)	
For Authority To Abandon Local)	
Exchange Service Area and Cancel its)	
Certificate of Convenience and Necessity)	

**APPLICATION OF
LIGHTSOURCE TELECOM I, LLC**

LightSource Telecom I, LLC (“LightSource” or “Applicant”) pursuant to Rule R14-2-1107 of the Arizona Administrative Code (“A.A.C.”),¹ Ariz. Admin, Code § 14-2-1107, hereby files this Application to Abandon Local Service Area and Cancel its Certificate of Convenience and Necessity (“CC&N”). In conjunction with this request, LightSource requests to withdraw its Request for Extension of Time filed on November 13, 2001.

By way of background, on October 30, 2001, the Arizona Corporation Commission (“Commission”) issued an Opinion and Order, Decision No. 64178, in Docket No. T-03940A-00-0771 (“Order”), granting LightSource a conditional CC&N for authority to provide competitive facilities-based and resold local exchange, interexchange, and exchange access telecommunications services in Arizona. On November 12, 2001, LightSource submitted a request to the Commission for an extension of time (“Request for Extension of Time”) to comply with four conditions in the Order. These four conditions require that LightSource: 1) file conforming tariffs within 30 days of the Order; 2) file proof of a performance bond within 90 days of the Order; 3) certify that all issues related to the provision of 911 service are resolved within 30 days of the

¹ Rules established by Commission Opinion and Order (dated June 23, 1995) In the Matter of the Notice of Proposed Rule Making Regarding Competitive Telecommunications Services, in Docket No. R-000-94-424, Decision No. 59124.

Order; and 4) file its plan to have all its customers telephone numbers included in the incumbent's Directories Assistance databases within 30 days of the Order. On November 20, 2001 Commission staff recommended that LightSource be given an extension until October 30, 2002, or until 30 days before providing service, whichever is earlier, to submit its compliance filings relating to the four conditions.² To date LightSource has not complied with obtained these conditions pending resolution of the Request for Extension of Time.

In support of the current Application, Applicant submits the following information as required by A.A.C. R14-2-1107:

I. Reason for Cancellation of CC&N

At the time of its initial Application for a CC&N, LightSource reasonably anticipated closing on sufficient funds to move forward with the construction of facilities and the provision of service in the State. Regrettably, market conditions have changed dramatically between the time of the initial filing and the present, and LightSource has been unable to raise all the funds anticipated. Accordingly, LightSource has reappraised the markets into which it will enter and has determined that it will not be entering the market in the State of Arizona.

II. Customer Notification

LightSource dose not have any past or existing customers in Arizona. Therefore, customer notification is not applicable in this case. To the extent that the Commission believes that some notification requirement is applicable, LightSource respectfully requests a waiver of that requirement.

III. Refund of Deposits

LightSource dose not have any past or existing customers in Arizona and never collected any deposits in Arizona or any other state. Accordingly, a plan for refunds it not applicable to this filing.

² Memorandum from Ernest Johnson, Director of Utilities Division, November 20, 2001, COMPLIANCE TO DECISION NO. 64178 - REQUEST FOR EXTENSION OF TIME (DOCKET NO. T-03940A-00-0771).

IV. List of Alternative Utilities in the Affected Service Area

LightSource is not now, and has not in the past owned or operated any facilities or provided any service in any geographic area of the State of Arizona. Thus, a list of all alternative utilities providing the same or similar service within the affected geographic service area is not applicable to this filing because there is no specifically affected service area. To the extent that the Commission believes that providing a list of alternative utilities is applicable in the present case, LightSource respectfully requests a waiver of this requirement.

V. Publication of Legal Notice

LightSource is not now providing, and has never in the past provided service in the State of Arizona. Nor has it ever constructed, owned or operated any equipment or facilities in the State. As a result, LightSource believes that this notice requirement would not serve any practical function. Accordingly, LightSource respectfully requests at this time a waiver of the publication of legal notice requirement.

CONCLUSION

Based on the foregoing, LightSource Telecom I, LLC, requests that the Commission grant this Application for Abandonment of Local Exchange Service Area and Cancellation of CC&N, withdraw LightSource's Request for an Extension of Time, and grant the further incidental requested relief and any other relief that the Commission believes expedient.

Respectfully submitted,



James Moskowitz

Senior Counsel – Regulatory Affairs

Dated: December 13, 2001

From: Nancy Roe
To: Ryan, Colleen
Date: 11/4/02 4:46PM
Subject: Can you tell I'm working on files

Lightsource Telecom [REDACTED] Staff Memo from Ernest Johnson recommending cancellation of the CC&N without a hearing. Can you do the administrative closure on this, or does someone else need to originate it.