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MEMORANDUM

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TO: Docket Control

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*EA for EGJ*

THRU: Matthew Rowell *MR*  
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DATE: May 19, 2006

RE: IN THE MATTER OF THE APPLICATION OF ONEPOINT COMMUNICATIONS  
- COLORADO, L.L.C. D/B/A VERIZON AVENUE TO DISCONTINUE  
COMPETITIVE FACILITIES-BASED AND RESALE INTRASTATE  
INTERLATA AND INTRALATA TELECOMMUNICATIONS SERVICES AND  
LOCAL EXCHANGE SERVICES AND TO CANCEL CERTIFICATE OF  
CONVENIENCE AND NECESSITY (DOCKET NO. T-03475A-06-0104)

Attached is the Staff Report of the above Application to cancel the Certificate of Convenience and Necessity ("CC&N") held by OnePoint Communications - Colorado, L.L.C. d/b/a Verizon Avenue. Staff recommends cancellation of the CC&N.

EGJ:JFB:tdp

Originator: John F. Bostwick

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Docket No. T-03475A-06-0104

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STAFF REPORT  
UTILITIES DIVISION  
ARIZONA CORPORATION COMMISSION

ONEPOINT COMMUNICATIONS – COLORADO, L.L.C. D/B/A  
VERIZON AVENUE

DOCKET NO. T-03475A-06-0104

IN THE MATTER OF THE APPLICATION OF ONEPOINT COMMUNICATIONS –  
COLORADO, L.L.C. D/B/A VERIZON AVENUE TO DISCONTINUE COMPETITIVE  
FACILITIES-BASED AND RESALE INTRASTATE INTERLATA AND INTRALATA  
TELECOMMUNICATIONS SERVICES AND LOCAL EXCHANGE SERVICES AND TO  
CANCEL CERTIFICATE OF CONVENIENCE AND NECESSITY

MAY 19, 2006

## STAFF ACKNOWLEDGMENT

The Staff Report for OnePoint Communications – Colorado, L.L.C. d/b/a Verizon Avenue, Docket No. T-03475A-06-0104, was the responsibility of the Staff member listed below. John F. Bostwick was responsible for the review and analysis of OnePoint Communications – Colorado, L.L.C. d/b/a Verizon Avenue's application to cancel its Certificate of Convenience and Necessity.

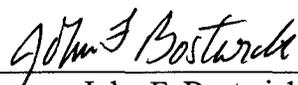
  
\_\_\_\_\_  
John F. Bostwick  
Administrative Services Officer II

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## **Introduction**

On February 17, 2006, OnePoint Communications – Colorado, LLC d/b/a Verizon Avenue (“OPC”) submitted a Notice of Filing to inform the Commission that it would be filing an Application for authority to discontinue all telecommunications services effective May 1, 2006. The Notice was filed to comply with Decision No. 62086 which requires OPC to notify each of its customers and the Commission sixty days prior to filing an application to discontinue service pursuant to A.A.C. R14-2-1107. OPC currently has a Certificate of Convenience and Necessity (“CC&N”) to provide competitive facilities-based and resale intrastate interLATA and intraLATA telecommunications services and local exchange services in Arizona.

On February 23, 2006, OPC requested a waiver of the requirement in Decision No. 62086 and A.A.C. R14-2-1107 that it provide sixty days notice before filing an application to discontinue services and cancel its CC&N. On February 24, 2006, seven days after it submitted its Notice of Filing, OPC submitted its application to discontinue competitive facilities-based and resale intrastate interLATA and intraLATA telecommunications services and local exchange services effective May 1, 2006, and to cancel its CC&N.

## **Background**

On November 19, 1999, the Commission, in Decision No. 62086, originally granted a CC&N to OPC to provide competitive facilities-based and resale intrastate interLATA and intraLATA telecommunications services and local exchange services within Arizona.

## **Staff’s Analysis**

On March 29, 2006, Staff sent its first set of data requests to OPC. OPC responded to Staff’s data requests on April 10, 2006. In its application, OPC stated that the technological and competitive landscape of the telecommunications industry is rapidly evolving. Increased focus on broadband offerings has rendered OPC’s narrowband voice offerings less competitive and less attractive. As a result, OPC is exiting the resale of voice services business on a nationwide basis and is no longer actively marketing its resold voice services.

In its February 23, 2006 filing, OPC requested a waiver of the requirement of Decision No. 62086 which requires OPC to notify each of its customers and the Commission sixty days prior to filing an application to discontinue service. Since the Notice of Filing was filed on February 17, 2006, and the notice period is sixty days, OPC was required, absent a waiver, to wait until April 18, 2006, to file its application with the Commission to discontinue service and cancel its CC&N.

OPC indicated that it had mailed on February 16, 2006 a letter notifying all of its customers of the proposed discontinuance of the services planned for May 1, 2006. The letter of notice to its customers included a list of 70 alternative providers that can provide service to customers in Arizona. A second notice to its customers was sent February 28, 2006. A third

notice to its customers was sent March 24, 2006. OPC seeks to expedite the processing of this application and approval of its proposed May 1, 2006 termination date to coordinate its effort in Arizona with thirteen other states across the nation that provide the same telecommunications services as those provided in Arizona.

OPC sent its first notice to its customers 74 days in advance of the proposed termination of May 1, 2006. In addition, it has provided two separately mailed notices to its customers as well as messages each month on the customer's bill and a planned telephone call as a reminder to be delivered via autodialer two weeks prior to the effective termination date. OPC believes this effort fulfills the Commission's intent by providing substantially more notice to customers than is required.

OPC indicated in its amended application that it will refund any and all deposits in accordance with its tariff. When service is terminated, any deposits will be netted against outstanding charges, and if a balance is due to the customer, a check will be mailed to the customer within 45 days of the termination date of service. As of May 10, 2006, there are no outstanding customer deposits held by OPC.

On April 7, 2006, Staff received copies of the Affidavit of Publication that legal notice of the application had been published in Maricopa and Pinal counties. Legal notice of the application was published in these counties because those are the only counties in Arizona where OPC provides telecommunications services to its customers. No objections or requests for a hearing regarding OPC's application to discontinue telecommunication services were filed.

As of February 24, 2006, OPC reported that it provided resold residential local exchange and long distance services to approximately eighty (80) customers in the Phoenix and Tucson metropolitan areas. As of May 10, 2006, 22 OPC customers in Arizona had not selected an alternative service provider. Out of the 22 customers, 16 customers that live in the Phoenix Metropolitan Area receive local service and 11 of those customers receive long distance service. Six (6) customers that live in the Tucson Metropolitan Area receive local service and 4 of those customers receive long distance service. OPC does not provide telecommunications services to business customers and does not have any contracts with its customers.

In response to Staff's data request, OPC has stated that its performance bond is still valid and is in the amount of \$235,000. In addition, OPC's operations for providing telecommunications services to customers in Arizona are located in Virginia. OPC does not maintain any offices, facilities or employees in Arizona. As a result, there is no impact to any facilities and employees in Arizona.

Consumer Services Section of the Utilities Division reports that there have been ten (10) complaints against OPC Company from 2003 through February 28, 2006. In addition, Consumer Services stated that OPC is in good standing with the Corporations Division of the Commission.

According to the Compliance and Enforcement Section of the Utilities Division, OPC does not have any compliance delinquencies.

Since there are numerous other carriers offering similar services as OPC, Staff believes that approval of OPC's request to discontinue service is in the public interest.

### **Recommendations**

Staff recommends approval of OPC's application for authority to discontinue all telecommunications services and that OPC's CC&Ns be cancelled. Since OPC currently provides telecommunications services to 22 customers in Arizona, Staff recommends that the cancellation become effective 45 days after the effective date of a decision in this matter.

Staff further recommends that OPC be required to notify its customers of the Commission decision and provide the termination date consistent with the Commission's Decision in this matter. Finally, Staff recommends that the Commission grant OPC's request for a waiver to the ordering paragraph (e) of Decision No. 62086.

Upon cancellation of its CC&N, OPC will no longer be authorized to provide local exchange and long distance telecommunications services in Arizona and therefore, will no longer be subject to the requirements of Decision No. 62086. In addition, Staff further recommends the cancellation of OPC's tariffs on file with the Commission.