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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

Arizona Corporation Commission

DOCKETED

MAY 16 2008

DOCKETED BY [signature]

IN THE MATTER OF THE APPLICATION OF  
LIGHTYEAR NETWORK SOLUTIONS, LLC  
FOR THE PARTIAL CANCELLATION OF THE  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY.

DOCKET NO. T-04229A-07-0642

DECISION NO. 70342

ORDER

Open Meeting  
May 6 and 7, 2008  
Phoenix, Arizona

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. On December 3, 2004, the Commission granted to Lightyear Network Solutions, LLC ("Lightyear" or "Company") a Certificate of Convenience and Necessity ("Certificate") to provide competitive resold and facilities-based local exchange and interexchange telecommunications services in the State of Arizona pursuant to Decision No. 67435. As a condition to the Certificate, the Commission required that the Company file a performance bond in the amount of \$235,000.

2. On December 5, 2006, pursuant to an application from the Company, the Commission cancelled the Company's authority to provide facilities-based long distance service and reduced the required performance bond amount from \$235,000 to \$135,000, or in the alternative allowed the Company to file an irrevocable sight draft letter of credit ("ISDLOC") in the same amount. (Decision No. 69171.)

3. On November 9, 2007, Lightyear filed an application with the Commission requesting the additional cancellation of its authority to provide competitive resold and facilities-based local

1 exchange telecommunications services in Arizona ("Application"). It did not request a cancellation of  
2 its resold long distance authority.

3 4. On January 27, 2008, the Commission's Utilities Division Staff ("Staff") filed its Staff  
4 Report recommending partial cancellation of the Company's Certificate.

5 5. However, Staff noted that, although Lightyear had been required to file a bond or an  
6 ISDLOC of \$135,000, on October 27, 2007, it only filed an ISDLOC in the amount of \$10,000.  
7 Therefore, the Company was technically in violation of Decision No. 69171. Staff believes that the  
8 Company filed the lower amount ISDLOC because the Company intended to file the instant  
9 Application shortly thereafter.

10 6. On January 31, 2008, the Company filed a Supplement to its Application requesting a  
11 an amendment to Decision No. 69171 reducing its performance bond from \$135,000 to \$10,000 to  
12 reflect the cancellation of its competitive resold and facilities-based local exchange  
13 telecommunications services in Arizona.

14 7. In its Staff Report, Staff concluded that Lightyear has never served any local exchange  
15 customers in Arizona and has not collected any advanced payments, deposits and/or prepayments. As  
16 such, Staff believes that partial cancellation will have no negative economic effect.

17 8. The Commission's Consumer Services Section of the Commission's Utilities Division  
18 reported that there were no customer complaints, inquiries or opinions against the Company from  
19 January 1, 2004 to date.

20 9. The Corporations Division reported that the Company is in good standing.

21 10. Staff recommends that the Commission grant the Company's Application and that  
22 Lightyear's Certificate to provide resold long distance service in Arizona remain in effect.<sup>1</sup>

23 11. Given the foregoing, Staff's recommendations are reasonable and will be adopted.

24 12. There is no indication in either the Application or the Staff Report that the Company  
25 filed proof that it published legal notice of its Application to discontinue certain telecommunications  
26

27 <sup>1</sup> The Staff Report states, "Staff further recommends that Lightyear's CC&N to provide facilities-based long distance  
28 services in the State of Arizona remain in effect." (*Staff Report, page 2*) The Company's authority to provide facilities-  
based long distance services was cancelled in Decision No. 69171, so the Company no longer has facilities-based long  
distance authority.

1 services in Arizona, as required by Arizona Administrative Code ("A.A.C.") R14-2-1107(B).

2 13. Also, there is no indication that the Company prepared a list of alternate utilities  
3 providing the same or similar service within the affected geographic area or informed any customers  
4 that it planned to discontinue telecommunications services, as required by A.A.C. R14-2-1107(A)(2)  
5 and (4).

6 14. The Company did not collect advances, deposits, or prepayments from any customers  
7 in Arizona, therefore there were no advances, deposits, or prepayments that needed to be refunded to  
8 customers as required under A.A.C. R14-2-1107(A)(3).

9 15. Since the Company did not provide competitive resold and facilities-based local  
10 exchange telecommunications services to Arizona customers, the requirements of A.A.C. R-14-2-  
11 1107(A) and (B) are hereby waived.

12 16. The Company additionally requested that the Commission amend Decision No. 69171  
13 to reduce the performance bond or ISDLOC from \$135,000 to \$10,000 to reflect the cancellation of  
14 the Company's authority to provide competitive resold and facilities-based local exchange  
15 telecommunications services in Arizona.

16 17. As a result of this Application, the request to modify Decision No. 69171 is moot, as  
17 cancelling the Company's local exchange authority will leave it with only resold long distance  
18 telecommunications services, which requires a performance bond or an ISDLOC in the amount of  
19 \$10,000.

#### 20 CONCLUSIONS OF LAW

21 1. The Company is a public service corporation within the meaning of Article XV of the  
22 Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

23 2. The Commission has jurisdiction over the Company and the subject matter of the  
24 application.

25 3. The partial cancellation of the Company's Certificate is in the public interest.

26 4. Pursuant to A.R.S. § 40-282, the Commission may issue decisions regarding  
27 Certificates of Convenience and Necessity for certain telecommunication services without a hearing.

28 5. Staff's recommendations are reasonable and should be adopted.

**ORDER**

1  
2 IT IS THEREFORE ORDERED that the authority to provide competitive resold and  
3 facilities-based local exchange telecommunications services in Arizona in the Certificate of  
4 Convenience and Necessity granted to Lightyear Networks Solutions, LLC in Decision No. 67435  
5 (December 3, 2004) shall be, and hereby is, cancelled.

6 IT IS FURTHER ORDERED that Lightyear Network Solutions, LLC's authority to provide  
7 resold long distance service pursuant to the Certificate of Convenience and Necessity granted to  
8 Lightyear Networks Solutions, LLC in Decision No. 67435 (December 3, 2004) shall remain in  
9 effect.

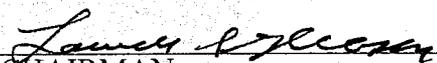
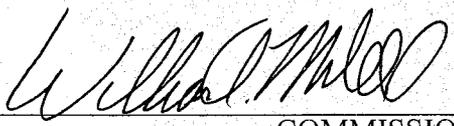
10 IT IS FURTHER ORDERED that the \$135,000 performance bond required by Decision No.  
11 69171 shall be, and hereby is, cancelled.

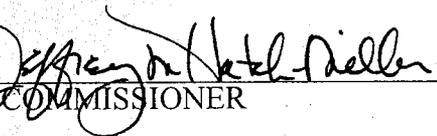
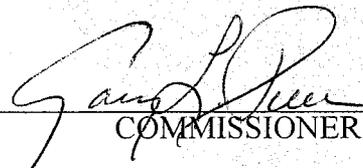
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1 IT IS FURTHER ORDERED that Lightyear Network Solutions, LLC shall maintain its  
2 irrevocable sight draft letter of credit in the amount of \$10,000, until further order of the  
3 Commission.

4 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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7    
8 CHAIRMAN COMMISSIONER

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11 COMMISSIONER COMMISSIONER COMMISSIONER

12 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive  
13 Director of the Arizona Corporation Commission, have  
14 hereunto set my hand and caused the official seal of the  
15 Commission to be affixed at the Capitol, in the City of Phoenix,  
16 this 16<sup>th</sup> day of May, 2008.

17   
18 BRIAN C. McNEIL  
19 EXECUTIVE DIRECTOR

20 DISSENT \_\_\_\_\_

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22 DISSENT \_\_\_\_\_

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1 SERVICE LIST FOR: LIGHTYEAR NETWORK SOLUTIONS, LLC

2 DOCKET NO.: T-04229A-07-0642

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