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MEMORANDUM
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TO: Docket Control Center

FROM: Steven M. Olea
Director
Utilities Division

EA for SMD

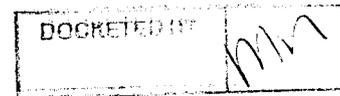
ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

DEC 18 2009

DATE: December 18, 2009



RE: CVC CLEC, LLC - REQUEST FOR EXTENSION OF COMPLIANCE DEADLINE
(DOCKET NO. T-20646A-09-0005)

In Decision No. 71329, dated October 30, 2009, the Arizona Corporation Commission ("Commission") approved the application of CVC CLEC, LLC ("CVC" or "Company") for approval of a certificate of convenience and necessity ("CC&N") to provide resold local exchange services and facilities-based local exchange telecommunications services in Arizona.

As part of Decision No. 71329, the Commission ordered the following:

"...that the Company should procure either a performance bond or an irrevocable sight draft letter of credit equal to \$125,000."

"...that the Company should docket proof of the original performance bond or irrevocable sight draft letter of credit ... within 30 days of the effective date of a Decision in this matter."

Based on the Commission ordered 30 day timeframe, the original due date for compliance with this requirement was on or about November 29, 2009.

On November 25, 2009, the Company filed a "request for extension of deadline pursuant to Decision No. 70319" relating to the performance bond/irrevocable sight draft letter of credit requirement. The application stated that, in organizing the letter of credit, the bank addressed several questions about the proper language for the letter of credit. CVC indicates that they answered all the banks questions when they were apprised of them but stated that they were uncertain that the filing could be made by the November 30, 2009 due date. The application requested a 30-day extension of the bond/letter of credit deadline.

On approximately December 10, 2009, Staff received a telephone call from Mr. Mark Foster, corporate attorney for CVC, and conducted a telephonic interview with the Company attorney. In the discussion, Mr. Foster stated that although the Company had originally asked for a 30 day extension of time, they wished to extend that request to a 60 day extension of time to provide the bond or irrevocable sight draft letter of credit. Staff accepted the request as a

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verbal amendment to the November 25, 2009 application and conducted its review based on that information.

Staff does not object to the Company's request for additional time to prepare and provide the bond or irrevocable sight draft letter of credit.

Staff therefore recommends that the current Commission due date of November 29, 2009 be extended until January 30, 2010.

SMO:BKB:lhm/kdh

Originator: Brian K. Bozzo

SERVICE LIST FOR: CVC CLEC.LLC
DOCKET NO.: T-20646A-09-0005

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Note:

This detail not included in memo.

Rational for the extra 30 days, per Mr. Foster, is cash flow oriented. The Company is required to deposit cash funds to secure the loc. During this holiday season, they have the opportunity to use those funds for discounted telecommunications equipment purchases which will serve to further improve the network. Their request for an additional 30 days (totaling 60) is meant to retain those funds to allow the holiday purchases and therefore extend the requirement for cash infusion relating to the loc until January 2010.