



MEMORANDUM

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AZ CORP COMMISSION
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2014 APR 30 PM 3 04

TO: Docket Control

FROM: Steven M. Olea
Director
Utilities Division

DATE: April 30, 2014

RE: IN THE MATTER OF THE APPLICATION OF MOHAVE COOPERATIVE SERVICES, INC. FOR APPROVAL TO CANCEL ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR COMPETITIVE RESOLD LONG DISTANCE, RESOLD LOCAL EXCHANGE AND FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS SERVICES.
(DOCKET NO. T-04268A-14-0050)

Attached is the Staff Report for the above referenced application. The applicant is applying for approval to cancel its Certificate of Convenience and Necessity ("CC&N") to provide the following services:

- Resold Long Distance Services
- Resold Local Exchange Services
- Facilities-based Local Exchange Services

Staff recommends cancellation of the CC&N.

ORIGINAL

SMO:LLM:tdp\ML

Originator: Lori L. Morrison

Arizona Corporation Commission

DOCKETED

APR 30 2014

DOCKETED BY 

SERVICE LIST FOR: MOHAVE COOPERATIVE SERVICES, INC.
DOCKET NO. T-04268A-14-0050

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STAFF REPORT
UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION

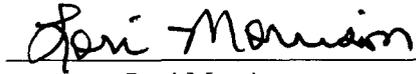
MOHAVE COOPERATIVE SERVICES, INC.
DOCKET NO. T-04268A-14-0050

IN THE MATTER OF THE APPLICATION OF MOHAVE COOPERATIVE SERVICES,
INC. FOR APPROVAL TO CANCEL ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY FOR COMPETITIVE RESOLD LONG DISTANCE, RESOLD LOCAL
EXCHANGE AND FACILITIES-BASED LOCAL EXCHANGE TELECOMMUNICATIONS
SERVICES

APRIL 30, 2014

STAFF ACKNOWLEDGEMENT

The Staff Report for the application of Mohave Cooperative Services, Inc., Docket No. T-04268A-14-0050, for approval to cancel its Certificate of Convenience and Necessity was the responsibility of the staff member listed below. Lori Morrison was responsible for the review and analysis of the application.

A handwritten signature in cursive script that reads "Lori Morrison". The signature is written in black ink and is positioned above a horizontal line.

Lori Morrison
Utilities Consultant

INTRODUCTION

On February 21, 2014, Mohave Cooperative Services, Inc. (“Mohave” or “Company”) submitted a letter requesting cancellation of its Certificate of Convenience and Necessity (“CC&N”) to provide resold long distance and resold and facilities-based local exchange telecommunications services within the State of Arizona. Mohave also requested the cancellation of its tariff.¹

Mohave currently has a \$135,000 performance bond on file with the Commission which is due to expire April 30, 2014² and Mohave requests the performance bond be released and returned upon cancellation of its CC&N.

BACKGROUND

On March 9, 2005, in Decision No. 67673, the Commission granted Mohave a CC&N to provide resold long distance, resold and facilities-based local exchange telecommunications services within the State of Arizona.

STAFF’S ANALYSIS

In its February 21, 2014 letter, Mohave stated although it satisfied all the conditions specified in Decision No. 67673, it had never provided resold and facilities-based local exchange telecommunications services in Arizona. Mohave did provide resold long distance services in conjunction with reselling Voice over Internet Protocol (“VoIP”) services provided by XCast Labs³ to up to 125 customers in Mohave County, Arizona between 2005 and 2013. Mohave’s VoIP customers were sent direct notice in March 2012⁴ of Mohave’s intent to discontinue providing VoIP services and the last VoIP customers were transferred to another provider as of August 15, 2013. Mohave provided Staff with copy of the notice it sent to customers.⁵ In addition, Mohave published notice of discontinuance of service in Mohave County in the Mohave Valley Daily News on March 5, 2012 and Proof of Publication was provided to Staff.⁶ In its March 31, 2014 Supplement/Correction to Application, Mohave stated that it also published notice of discontinuance of service in Mohave County in the Mohave Daily News on March 16, 2014. While Mohave does have authority to provide telecommunications services statewide, Mohave has only had customers in Bullhead City and Lake Havasu City, both of which are located within Mohave

¹ Mohave’s Response to Staff Data Request STF 1.10.

² Mohave’s Response to Staff Data Request STF 1.9.

³ Application, Page 2, lines 1-4 and Mohave’s Response to Staff Data Request STF 1.1(b).

⁴ On March 31, 2014, Mohave filed a Supplement/Correction to the application to correct the year it provided direct notice to its VoIP customers. Customers were sent direct notice in March 2012 instead of March 2013 as stated in on Page 2, line 3 of the February 21, 2014 Application.

⁵ Mohave’s Response to Staff Data Request STF 1.1(c).

⁶ *Ibid.*

County.⁷ Mohave affirmed that it did not collect advances, deposits, and/or prepayments from customers in Arizona.⁸

The Consumer Services Section of the Utilities Division reports that there have been no complaints, inquiries, or opinions about Mohave from January 1, 2011 to February 26, 2014. According to the Corporations Division, Mohave is not in good standing for failure to file its 2014 Annual Report. The Compliance Section reports that there are no current compliance delinquencies for Mohave Cooperative Services, Inc. Mohave has not filed an Annual Utilities Report with the Utilities Division since 2010.

RECOMMENDATION

Mohave Cooperative Services, Inc. is not currently providing resold long distance or resold and facilities-based local exchange telecommunications services to any customers in Arizona and it never collected deposits, advances or prepayments from Arizona customers. Mohave did publish notice of its discontinuance of service in the Mohave County, which was the only county in Arizona where Mohave has ever provided service. Staff recommends that Mohave's CC&N to provide resold long distance and resold and facilities-based telecommunications services be cancelled. Upon cancellation of its CC&N, Mohave will no longer be authorized to provide resold long distance and resold and facilities-based telecommunications services in Arizona. Therefore, Mohave will no longer be subject to the requirements of Decision No. 67673. In addition, Staff recommends approval of Mohave's request to cancel its Arizona tariff.

Mohave Cooperative Services, Inc. has communicated to Staff that upon approval of this Application, the performance bond should be released and returned to the following name and address:

NFP Property & Casualty Services Inc. (BHC)
Attn: Stephanie Burright
Re: Account - MOHCO-1/Contractors Building & Ins. Co - Policy No AK6717
2250 N. McCulloch Blvd
Lake Havasu City, AZ 86403-5988

⁷ Mohave's Response to Staff Data Request STF 1.13.

⁸ Mohave's Response to Staff Data Request STF 1.6.