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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

SEP 16 2015

SUSAN BITTER SMITH - Chairman
BOB STUMP
BOB BURNS
DOUG LITTLE
TOM FORESE

DOCKETED BY 

IN THE MATTER OF THE APPLICATION OF
CYPRESS COMMUNICATION OPERATING
COMPANY, LLC FOR APPROVAL TO CANCEL
ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY.

DOCKET NO. T-04109A-15-0101

DECISION NO. 75273

ORDER

Open Meeting
September 8 and 9, 2015
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 November 20, 2002, the Commission issued Decision No. 65414, granting Cypress Communication Operating Company, LLC ("Cypress") a Certificate of Convenience and Necessity ("CC&N") to provide resold local exchange and interexchange telecommunications services within the State of Arizona.

2. On March 26, 2015, Cypress filed with the Commission an Application for cancellation of its CC&N to provide resold local exchange and interexchange telecommunications services and waiver of Arizona Administrative Code ("A.A.C") R14-2-1107 notice requirements. Cypress also holds a CC&N to provide facilities-based local exchange and long distance telecommunications services that it seeks to be canceled in Docket No. T-04109A-15-0041.

3. On July 28, 2015, the Commission's Utilities Division ("Staff") filed a Staff Report in this matter recommending approval of Cypress' application to cancel its CC&N.

4. Cypress' application stated it is ceasing operations due to changing market conditions.

1 In Docket No. T-04109A-15-0041, Cypress submitted copies of the two customer notices it mailed
2 on or about February 2, 2015 and February 27, 2015, notifying customers of Cypress' intention to
3 discontinue providing services by April 1, 2015 and March 31, 2015, respectively.

4 5. The Staff Report indicated Cypress had six business customers remaining in Arizona
5 but that Cypress has requested a waiver of the legal notice requirement based on the two customer
6 notices that had already been mailed.

7 6. In its Application, Cypress stated it has approximately \$7,666.17 in customer deposits
8 in Arizona that Cypress will refund to customers within 90 days of exiting the State. Cypress also
9 asserted it will waive all existing termination liabilities and penalties for existing customers.

10 7. Decision No. 65414 required Cypress to procure a performance bond in the amount of
11 \$25,000 and further required incremental increases. In compliance with the Decision, Cypress filed
12 bond 12BSBED2323 with the Commission on August 15, 2006, which changed to 45BSBED2323 on
13 August 3, 2011. Cypress' bond was subsequently canceled on August 3, 2012, with no active
14 performance bond currently in place. According to Staff, the Business Office is in possession of
15 these performance bond documents.

16 8. According to the Commission's Consumer Services Section, zero complaints or
17 opinions were filed against Cypress from January 1, 2012 to April 2, 2015, and Cypress is in good
18 standing with the Corporations Division.

19 9. The Staff Report indicated Cypress has no affiliates in Arizona and that there are other
20 carriers in Arizona that provide similar services to that of Cypress.

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1 10. Staff recommends approval of Cypress' application to cancel its CC&N to provide
2 resold local exchange and interexchange telecommunications services. Staff also recommends
3 cancellation of Cypress' tariff on file with the Commission and granting Cypress' request to waive
4 the publication notice requirements of A.A.C. R14-2-1107. Further, Staff recommends that any
5 documents related to the performance bond be released and returned to the following name and
6 address:

7 Jeffrey Case, Esq.
8 Deputy General Counsel
9 Cypress Communications, LLC
10 75 Erieview Plaza
11 Suite 400
12 Cleveland, Ohio 44114

13 11. Staff further recommends that the cancellation of Cypress' CC&N not become
14 effective until all customer deposits have been returned to Cypress' customers and that Cypress be
15 required to file an affidavit in this docket notifying the Commission that all customer deposits have
16 been returned.

17 12. Per Cypress' application, Cypress intends to return the customer deposits it still retains
18 within 90 days of exiting the State. Therefore, it is appropriate to require Cypress to file an affidavit
19 attesting that all deposits were returned to its customers within 90 days from the effective date of the
20 Decision in this docket.

21 13. Staff's recommendations, as modified herein, are reasonable and should be adopted.

CONCLUSIONS OF LAW

22 1. Cypress Communication Operating Company, LLC is a public service corporation
23 within the meaning of Article XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

24 2. The Commission has jurisdiction over Cypress Communication Operating Company,
25 LLC and the subject matter of the application.

26 3. Upon meeting the conditions set forth herein, the cancellation of Cypress
27 Communication Operating Company, LLC's CC&N is in the public interest.

28 4. For the reasons stated herein, Cypress Communication Operating Company, LLC
should be granted a waiver of the notice and publication requirements of A.A.C. R14-2-1107.

5. Staff's recommendations, as modified herein, are reasonable and should be adopted.

ORDER

IT IS THEREFORE ORDERED that the application of Cypress Communication Operating Company, LLC for the cancellation of its Certificate of Convenience and Necessity to provide competitive resold local exchange and interexchange telecommunications services within the State of Arizona shall be, and is hereby, conditionally approved, pending Cypress Communication Operating Company, LLC filing an affidavit in this docket, within 90 days of the effective date of this Decision, attesting that all customer deposits have been returned.

IT IS FURTHER ORDERED that, upon completion of the conditions set forth above, Cypress Communication Operating Company, LLC's Certificate of Convenience and Necessity is canceled and telecommunications services tariff on file with the Commission is hereby canceled.

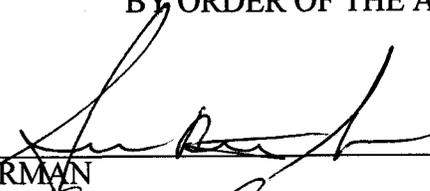
IT IS FURTHER ORDERED that Cypress Communication Operating Company, LLC is hereby granted a waiver of the notice requirement in A.A.C. R14-2-1107.

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1 IT IS FURTHER ORDERED that Cypress Communication Operating Company, LLC shall
2 file with Docket Control, within 90 days of the effective date of this Decision, an affidavit attesting
3 that all customer deposits have been returned to its remaining customers.

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

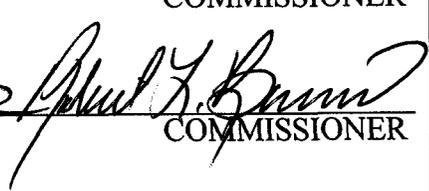
5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

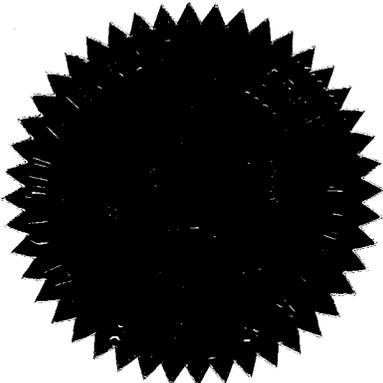
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CHAIRMAN


COMMISSIONER

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COMMISSIONER


COMMISSIONER


COMMISSIONER



11 IN WITNESS WHEREOF, I, JODI JERICH, Executive
12 Director of the Arizona Corporation Commission, have
13 hereunto set my hand and caused the official seal of the
14 Commission to be affixed at the Capitol, in the City of Phoenix,
15 this 16th day of September 2015.

16 
17 JODI JERICH
18 EXECUTIVE DIRECTOR

19 DISSENT _____

20 DISSENT _____
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1 SERVICE LIST FOR: T-04109A-15-0101
2 DOCKET NO.: CYPRESS COMMUNICATION OPERATING
3 COMPANY, LLC

4 Alex Gertsburg
5 CP & General Counsel
6 Cypress Communication Operating Company, LLC
7 75 Erieview Plaza, Suite 400
8 Cleveland, OH 44114

9 Janice Alward, Chief Counsel
10 Legal Division
11 ARIZONA CORPORATION COMMISSION
12 1200 West Washington Street
13 Phoenix, AZ 85007

14 Steven Olea, Director
15 Utilities Division
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