



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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Post Office Box 350  
Trenton, New Jersey 08625-0350  
[www.nj.gov/bpu/](http://www.nj.gov/bpu/)

TELECOMMUNICATIONS

IN THE MATTER OF THE VERIFIED JOINT PETITION	)	ORDER OF APPROVAL
OF NETWORK BILLING SYSTEMS, LLC AND	)	
CYPRESS COMMUNICATIONS OPERATING	)	
COMPANY, LLC FOR APPROVAL FOR THE	)	
ASSIGNMENT OF CERTAIN RETAIL	)	
TELECOMMUNICATIONS SERVICES AND	)	
CUSTOMERS OF CYPRESS COMMUNICATIONS	)	
OPERATING COMPANY, LLC TO NETWORK BILLING	)	
SYSTEMS, LLC	)	DOCKET NO. TM14060541

**Parties of Record:**

**James H. Laskey**, Norris, McLaughlin & Marcus, P.A., for Network Billing Systems, LLC  
**Stefanie A. Brand, Esq.**, Director, New Jersey Division of Rate Counsel  
**Eugene Blumin**, Chief Operating Officer, Cypress Communications, LLC

BY THE BOARD:

On June 3, 2014, Network Billing Systems, LLC ("NBS") and Cypress Communications Operating Company, LLC ("Cypress") (collectively, "Petitioners") filed a verified petition with the New Jersey Board of Public Utilities ("Board"), pursuant to N.J.S.A. 48:3-7 and N.J.S.A. 48:3-9, for approval or such authority as may be necessary to consummate a Transaction between NBS and Cypress through which NBS will acquire certain retail telecommunications services and customers of Cypress. NBS will file any necessary tariff revisions to incorporate Cypress's current services and rates so that NBS customers will continue to receive services under the same terms, rates, and conditions that they currently receive and the transaction will be seamless to customers.

**BACKGROUND**

NBS is a New Jersey limited liability company with a principal office located at 155 Willowbrook Blvd., Wayne, NJ 07470. In New Jersey, NBS was authorized to provide local exchange and Interexchange services on September 15, 2008. See I/M/O the Verified Petition of Network Billing Systems for Approval to Provide Local Exchange Telecommunications Services throughout the State of New Jersey, Docket No. TE08070466, Order dated September 2008.

Network Billing Systems, LLC states it has 947 customers and 67 employees in New Jersey. Petitioners state that on August 30, 2013, NBS and Cypress entered into an Asset Purchase Agreement pursuant to which NBS will purchase certain assets and customers of Cypress.

Cypress is a Delaware limited liability company and has a principal place of business located at 4 Piedmont Center, Suite 600, 3565 Piedmont Road, Atlanta, Georgia 30305. Cypress is authorized by the Board to provide facilities based and interexchange local exchange telecommunications services in New Jersey. Cypress received its authority in Docket No. TE00060418, Order dated October 9, 1998. Cypress has one employee in New Jersey who will remain an employee of Cypress in New Jersey as a result of this transaction. There are 11 business customers in New Jersey that will be affected by this transaction.

## **DISCUSSION**

According to the petition, on August 30, 2013, petitioners entered into an Asset Purchase and Sale Agreement (Agreement) pursuant to which NBS will purchase the regulated retail business services and customers of Cypress. Pursuant to the agreement, NBS will purchase the retail business customers and the regulated retail business services from Cypress that are only a small portion of the services provided to such customers by sellers. NBS will assume substantially all of Cypress's ongoing liabilities of the acquired business. NBS will acquire approximately 11 business customer accounts in New Jersey. After consummation of the transaction, NBS will provide Cypress customers with the same rates, terms and conditions as before.

Petitioners have also complied with Mass Migration guidelines at N.J.A.C. 14:10-12.1 et seq., and will provide customers a 60-day notification. This notice would inform customers of the transfer and that they have the right to choose another carrier. Petitioners have requested modification of certain sections of the mass migration guidelines. Staff has determined that a modification of the requested sections should be granted since this is simply a change in the name of their provider rather than a discontinuance of their service.

According to the petition, future changes in the rates terms and conditions of service to the affected customers will be undertaken pursuant to customer contracts and the applicable federal and state notice and tariff requirements.

As a result, the proposed transaction will be transparent to customers and will not have a negative impact on the public interest, services to New Jersey customers..

The New Jersey Division of Rate Counsel ("Rate Counsel") has reviewed this matter and, by letter dated June 11, 2014, stated that it does not oppose approval of the Petition. According to Rate Counsel, "the Verified Petition meets the regulatory requirements and is consistent with the public interest, convenience, and necessity." Id. at 2.

## **FINDINGS AND CONCLUSION**

Under N.J.S.A. 48:3-7, the Board is required to determine whether the public utility or a wholly owned subsidiary thereof may be unable to fulfill its pension obligations to any of its employees. Finally, regarding N.J.S.A. 48:3-10, the Board must be satisfied that there are no adverse impacts on obligations to employees.

After a thorough review of the petition and all related documents, the Board concludes that there will be no negative impact on service quality to New Jersey customers or the rates they pay. Nor will there be a negative impact on competition. The Board also concludes that a modification of mass migration rules as proposed by Petitioners is in the best interest of the parties.

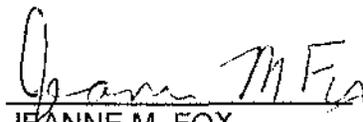
Accordingly, after careful review of this matter, the Board **FINDS** that the Transaction will have no negative impact on competition, employees, or the rates to customers. The Board also **FINDS** that the asset and customer transfer will have no negative impact on the provision of safe, adequate and proper service and will positively benefit competition. Furthermore, the Board **FINDS** that the transfer will likely have a net positive benefit to the customers in the state.

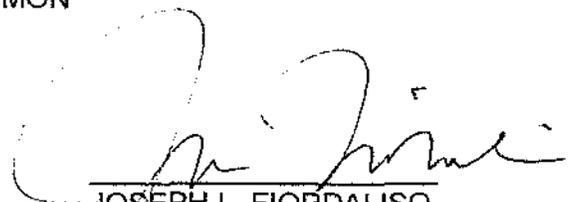
Therefore, the Board, after investigation, having considered the record and exhibits submitted in this proceeding, **FINDS** that the asset and customer transfer is in accordance with the law and in the public interest. The Board **HEREBY APPROVES** the request by Petitioners for the Transaction. Also, because sufficient circumstances so warrant, the Board **HEREBY GRANTS** the requested modification and/or waiver of the applicable sections of the Board's mass migration rules, in accordance with N.J.A.C. 14:1-1.2 and N.J.A.C. 14:10-12.3. Finally, the Board **FURTHER ORDERS** that the approval in this Order shall become null and void and of no effect to the extent that the approved Transaction has not been effected prior to June 23, 2015. The Board **HEREBY ORDERS** Petitioners shall notify the Board of the closing of the proposed transaction within ten (10) days of consummation of the transfer. This Order shall become effective upon the service thereof, in accordance with N.J.S.A. 48:2-40.

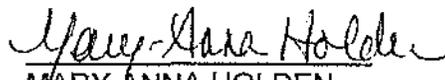
DATED: 7/23/14

BOARD OF PUBLIC UTILITIES  
BY:

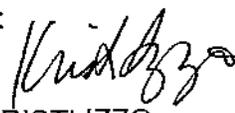
  
DIANNE SOLOMON  
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JEANNE M. FOX  
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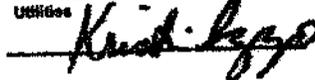
  
JOSEPH L. FIORDALISO  
COMMISSIONER

  
MARY-ANNA HOLDEN  
COMMISSIONER

ATTEST:

  
KRISTI IZZO  
SECRETARY

I HEREBY CERTIFY that the within document is a true copy of the original in the files of the Board of Public Utilities



In the Matter of the Verified Joint Petition of Network Billing Systems LLC and Cypress Communications Operating Company, LLC for Approval for the Assignment of Certain Retail Telecommunications Services and Customers of Cypress Communications Operating Company, LLC to Network Billing Systems, LLC

Docket No. TM14060541

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