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**MEMORANDUM**  
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TO: Docket Control  
FROM: Ernest G. Johnson  
Director  
Utilities Division

2007 DEC -7 P 4:04  
AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**  
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DATE: December 7, 2007

RE: **STAFF REPORT AMENDMENT - IN THE MATTER OF THE APPLICATION OF IPC NETWORK SERVICES, INC. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO PROVIDE RESOLD POINT-TO-POINT PRIVATE LINE TELECOMMUNICATIONS SERVICE (DOCKET NO. T-20457A-06-0294)**

On July 26, 2007, Staff filed its Report recommending that a hearing be held in this matter. IPC Network Services, Inc. (IPC) is currently certified as a reseller of telecommunications services. The Company provides resold point-to-point Private Line Services in 17 states. Upon further consideration of the application, Staff does not believe that a Hearing in this matter is necessary and recommends that a Hearing not be held in this matter.

Companies granted Certificates of Convenience and Necessity are currently required to demonstrate compliance with any bond or letter of credit requirements by filing evidence of having secured an appropriate performance bond or irrevocable sight draft Letter of Credit within 30 days from the effective date of a Decision in the matter. Therefore, the last sentence in the last paragraph in Section 3 at Page 2 of the Staff Report should be amended to read:

“Staff further recommends that proof of the above mentioned performance bond or irrevocable sight draft Letter of Credit be docketed within 30 days of the effective date of a decision in this matter, and must remain in effect until further order of the Commission.”

In addition Item 2. b, in Section 7 at Page 5 of the Staff Report should be amended to read:

“Docket proof of the original performance bond or irrevocable sight draft Letter of Credit with the Commission’s Business Office and copies of the performance bond or irrevocable sight draft Letter of Credit with Docket Control, as a compliance item in this docket, within 30 days of the effective date of a decision in this matter. The performance bond or irrevocable sight draft Letter of Credit must remain in effect until further order of the Commission. The Commission may draw on the performance bond or irrevocable sight draft Letter of Credit, on behalf of, and for the sole benefit of the Company’s customers, if the Commission finds, in its discretion, that the Company is in default of its

obligations arising from its Certificate. The Commission may use the performance bond or irrevocable sight draft Letter of Credit funds, as appropriate, to protect the Company's customers and the public interest and take any and all actions the Commission deems necessary, in its discretion, including, but not limited to returning prepayments or deposits collected from the Company's customers."

EGJ:PJG:red

Originator: Pamela J. Genung

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DOCKET NO. T-20457A-06-0294

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