

ORIGINAL

NEW APPLICATION



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AZ CORP COMMISSION  
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13 February 2012

Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Transmittal Letter No. 5

T-20590A-12-0053

Re: Initial Intrastate Access Services Tariff Filing of Peerless Network of Arizona, LLC

To Whom It May Concern:

Please find enclosed the original and thirteen copies of the following tariff revisions Arizona Tariff No. 3:

Preface, 1<sup>st</sup> Revised Page 1, Cancels Original Page 1: Makes corrections to some pagination errors and adds "Identification and Rating of VOIP Traffic" to the table of contents.

Section 1, 1<sup>st</sup> Revised Page 2, Cancels Original Page 2: Adds clarification language to the definition of "end user".

Section 2, 1<sup>st</sup> Revised Page 27, Cancels Original Page 27: Introduces "Identification and Rating of VOIP Traffic".

Section 2, Original Page 28 & 29: Continues "Identification and Rating of VOIP Traffic". This filing is in compliance with the FCC Order (Report and Order in WC Docket Nos. 10-90, etc. FCC Release No. 11-161 (November 18, 2011)).

These pages are filed in Docket No. T-20590A-08-0157.

If there are any questions concerning this filing, please feel free to contact me at 312-506-0933 or at [dmeldazis@peerlessnetwork.com](mailto:dmeldazis@peerlessnetwork.com). Thank you.

Sincerely,

Daniel Meldazis  
Director Regulatory Affairs

Arizona Corporation Commission  
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Issued: February 15, 2012

Effective:

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DEFINITIONS

Digital Signal Level 1 (DS1)

The 1.544 Mbps first level signal in the time division multiplex hierarchy. In the time division multiplexing hierarchy of the telephone network, DS1 is the initial level of multiplexing.

Digital Signal Level 3 (DS3)

The 44.736 Mbps third level in the time division multiplex hierarchy. In the time division multiplexing hierarchy of the telephone network, DS3 is defined as the third level of multiplexing

End Office Switch

A local telephone switching system established to provide local exchange service and/or exchange access services.

End User

A customer of telecommunications services that is not a carrier. End users can include a business, company or enhanced service providers (including but not restricted to, internet service providers, conference calling providers, and Voice over Internet Protocol service providers) or other entities.

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FCC

The Federal Communications Commission

Grandfathered

Services ordered under the provisions of this tariff but are no longer available to new customers.

Individual Case Basis

A condition in which the regulations (if applicable), rates and charges for an offering under the provision of this tariff are developed based on the circumstance in each case.

Intrastate Access Service

Provides for a two-point communications path between a Customer's premises or a collocated interconnection location and an end user's premises for originating and terminating calls within the state.

Local Access and Transport Area (LATA)

A Local Access and Transport Area established pursuant to the Modification of Final Judgment entered by the United States District Court for the District of Columbia in Civil Action No. 82-0192; or any other geographic area designated as a LATA in the NATIONAL EXCHANGE CARRIER ASSOCIATION, INC. TARIFF F.C.C. NO. 4.

Local Exchange Routing Guide (LERG)

The telecommunications industry database tool used to provision NPA/NNXs and provide routing information to facilitate call completion.

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REGULATIONS2.10 Individual Case Basis (ICB)

Arrangements will be developed on a case-by-case basis in answer to a bona fide request from a Customer or prospective Customer to develop a competitive bid for a service offered under this tariff. Rates quoted in response to such competitive requests may be different than those specified for such service in this tariff. ICB rates will be offered to the Customer in writing.

Contracts will be used in the circumstance of Individual Case Basis (ICB) service offerings. The terms and conditions of each contract offering are subject to the agreement of both the Customer and Company. Such contract offerings will be made available to similarly situated Customers in substantially comparable circumstances. Contracts are obtainable to any similarly situated Customer that places an order within 90 days of their effective date. In the event of a conflict between the Customer and the Company, the contract will take precedence over this tariff in regards to resolution of the conflict. Contracts are subject to applicable law of a competent jurisdiction.

2.11 Identification and Rating of VOIP Traffic(A) General

1. VOIP traffic is defined as traffic that is exchanged between a Company end user and the customer in time division multiplexing (TDM) format that originates and/or terminates in Internet protocol (IP) format. These rules establish the method of separating such traffic from the customer's traditional intrastate access traffic, so that such relevant VOIP traffic can be billed in accordance with the FCC Order (see Report and Order in WC Docket Nos. 10-90, etc. FCC Release No. 11-161 (November 18, 2011)).
2. This section will be applied to the billing of switched access charges to a customer that is a local exchange carrier only to the extent that the customer has also implemented billing of interstate access charges for relevant VOIP tariff in accordance with the FCC order.
3. The rates, terms, and conditions of this section will apply to transit services provided in connection with the origination or termination of LEC-CMRS intraMTA traffic.

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REGULATIONS2.11 Identification and Rating of VOIP Traffic (cont'd)(B) Rating of VOIP Traffic

The relevant VOIP traffic that is identified in accordance with this tariff section will be bill at rates equal to the Company's applicable tariffed interstate access rates as specified in Tariff FCC No. 3.

(C) Calculation And Application of Percent of VOIP Usage Factor

The Company will determine the number of relevant VOIP traffic minutes of use (MOU) to which the interstate rates will be applied under subsection B above, by applying a percent VOIP usage (PVU) factor to the total intrastate access MOU exchanged between a Company end user and the customer. The PVU will be determined and applied as follows:

- (1) The customer will calculate and furnish to the Company a factor (customer factor) representing the percentage of the total intrastate and interstate access MOU that the customer exchanges with the Company in the state, that (a) is sent to the Company and that originated in IP format; or (b) is received from the Company and terminated in IP format. This customer factor shall be based on information such as traffic studies, call details, the number of the customer's retail VOIP subscriptions in the state (as reported in FCC Form 477) or other relevant and verifiable information.
- (2) The Company will also calculate a factor (Company factor) representing the percentage of the Company's total intrastate and interstate access MOU in the state that the Company originates or terminates on its network in IP format. This Company factor shall be based on information such as traffic studies, call details, the number of the customer's retail VOIP subscriptions in the state (as reported in FCC Form 477) or other relevant and verifiable information.
- (3) The Company will use the Company factor and the customer factor to calculate a PVU factor that represent the percentage of total intrastate and interstate access MOU exchanged between a Company end user and the customer that is originated or terminated in IP format, whether at the Company's end, at the customer's end or at both ends. The PVU factor will be calculated as the sum of: (A) the customer factor and (B) the Company factor times (1.0 minus the customer factor).

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REGULATIONS2.11 Identification and Rating of VOIP Traffic (cont'd)(C) Calculation And Application of Percent of VOIP Usage Factor (cont'd)

- (4) The Company will apply the PVU factor to the total intrastate access MOU exchanged with the customer to determine the number of relevant VOIP traffic MOUs.

Example 1: The Company factor is at 20% and the customer factor is 40%. The PVU factor is equal to  $40\% + (20\% \times 60\%) = 52\%$ . The Company will bill 52% of the customer's intrastate access MOU at the Company's applicable tariffed interstate access rates. If the customer does not supply the Company with a customer factor according to the preceding paragraph 1, the Company will use a PVU equal to the Company's factor.

(D) Initial PVU Factor

If the PVU factor is not available and/or cannot be implemented in the Company's billing systems by January 1, 2012, once the factor is available and can be implemented the Company will adjust the customer's bills to reflect the PVU retroactively to January 1, 2012. In calculating the initial PVU, the Company will take the customer specified PVU into account retroactively to January 1, 2012, provided that the customer provides the factor to the Company no later than April 15, 2012; otherwise the Company will set the initial PVU equal to the Company factor as specified in subsection (c)(5) above.

(E) PVU Factor Updates

The customer may update their factor quarterly using the method set forth in subsection (C)(1), above. If the customer chooses to submit such updates, it shall forward to the Company, no later than 15 days after the first day of January, April, July and/or October of each year, a revised customer factor based on data for the prior three months, ending the last day of December, March, June and September, respectively. The Company will use the revised customer factor to calculate a revised PVU. The revised PVU factor will apply prospectively and serve as the basis for billing until superseded by a new PVU.

(F) Verification of PVU

Not more than twice in any year, the Company can ask the customer to verify the customer factor that they furnished to the Company and the customer can ask the Company to verify the Company factor and the calculation of the PVU factor. The party so requested shall comply, and shall reasonably provide the records and other information used to determine the respective Company and customer factors.

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