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ARIZONA CORPORATION COMMISSION  
DOCKET CONTROL

14 May 2012

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

Re: Docket No. T-20590A-12-0053, response to AT&T objection to proposed tariff revisions of Peerless Network of Arizona, LLC

To Whom It May Concern:

Peerless Network of Arizona, LLC (Peerless) files this response to the objection of AT&T to Peerless' proposed tariff revisions to implement the VOIP-PSTN provisions of the FCC's November 18, 2011 report and Order on universal service and intercarrier compensation. Specifically, AT&T objected to the effective date of the application of the PVU factor of January 1, 2012 (Arizona Tariff No. 3, Section 2, Original Page 29, 2.11 D, Initial PVU Factor). AT&T states that the date should be December 29, 2011.

Peerless is submitting the tariff page in question with the effective date of December 29, 2011 as the date of the application of the PVU factor. Please find the original and 13 copies of this transmittal letter and the affected tariff page enclosed.

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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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 December 29, 2011, once the factor is available and can be implemented the Company will adjust the customer's bills to reflect the PVU retroactively to December 29, 2011. In calculating the initial PVU, the Company will take the customer specified PVU into account retroactively to December 29, 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.