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BEFORE THE ARIZONA CORPORATION

COMMISSIONERS

BOB STUMP – Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

Arizona Corporation Commission

DOCKETED

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IN THE MATTER OF THE APPLICATION OF
INETWORKS GROUP, INC. FOR APPROVAL
TO CANCEL ITS CERTIFICATE OF
CONVENIENCE AND NECESSITY TO
PROVIDE RESOLD LOCAL EXCHANGE
TELECOMMUNICATIONS SERVICES AND
RETAIN ITS CC&N TO PROVIDE RESOLD
LONG DISTANCE TELECOMMUNICATIONS
SERVICES.

DOCKET NO. T-20639A-13-0405

DECISION NO. 74404

ORDER

Open Meeting
March 11 and 12, 2014
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. In Decision No. 71219 (August 6, 2009), the Commission granted iNetworks Group, Inc.
(“iNetworks” or “Company”) a Certificate of Convenience and Necessity (“CC&N”) to provide competitive
resold local exchange and resold long distance telecommunications services within the State of Arizona.

2. On November 25, 2013, the Company filed an application with the Commission
requesting approval to cancel its CC&N to provide resold local exchange telecommunications
services and retain its CC&N to provide resold long distance telecommunications services in
Arizona.

3. On January 13, 2014, the Commission’s Utilities Division (“Staff”) filed a Staff
Report in response to the Company’s application. Staff recommends that the Company’s application
to cancel its CC&N to provide resold local exchange telecommunications services be approved; that

1 the legal notice requirement in A.A.C. R14-2-1107(A)(2) be waived; and that the Company no longer  
2 be required to maintain a performance bond or irrevocable sight draft letter of credit ("ISDLC") as a  
3 condition of its CC&N to provide resold long distance telecommunications services.

4 4. The Consumer Services Section of the Commission's Utilities Division reports no  
5 complaints, opinions, or inquiries filed against the Company. The Consumer Services Section also  
6 reports that the Company is in good standing with the Commission's Corporations Division.

7 **Notice Requirement**

8 5. In its application, the Company states that it does not have any operations or  
9 customers of resold local exchange services in Arizona and has no plans to do so in the future. As a  
10 result, the Company states that it did not issue customer notice. According to the Company, the  
11 notice requirement in A.A.C. R14-2-1107(A)(2) only requires legal notice to be filed in counties in  
12 which there are affected customers and there are no such counties to notice in this matter. To the  
13 extent that legal notice is required in this matter, the Company requests a waiver of that requirement.

14 6. Staff indicates that in response to Staff Data Request STF 1.1(b), the Company stated  
15 that no customers would be affected by the request to cancel the CC&N because the Company has no  
16 local customers served under the authority of local resale. Staff recommends that the notice  
17 requirement in A.A.C. R14-2-1107(A)(2) be waived because the Company is not currently providing  
18 resold local telecommunications services to any customers in Arizona.

19 7. The provisions of A.A.C. R14-2-1107 require, among other things, that a certificated  
20 telecommunication company publish notice of the application prior to cancellation of its CC&N. As  
21 discussed in Decision No. 67404 (November 2, 2004), it would render A.A.C. R14-2-1107  
22 meaningless and would run afoul of the rule's intent and plain language to exempt a company from  
23 the requirements of the rule because it has no customers due to its discontinuation of service.  
24 However, as discussed in that Decision, the intent of the rule is to ensure that existing customers have  
25 advance notice of a telecommunications provider's pending plan to discontinue service so they will  
26 have an opportunity to procure service through an alternative provider prior to such discontinuance.

27 8. Since the Company has no resold local exchange service customers in Arizona,  
28 requiring the Company to comply with the notice provisions of A.A.C. R14-2-1107 serves no

1 practical purpose. Accordingly, we find that the notice requirements of A.A.C. R14-2-1107 should  
2 be waived.

3 **Bond Requirement**

4 9. In Decision No. 71219, the Commission required the Company to acquire a performance  
5 bond or ISDLC for the Company's resold local exchange services in an amount equal to \$25,000. In doing  
6 so, the Commission recognized that it was not recommending a performance bond or ISDLC for the  
7 Company's resold long distance services because the Company's tariff indicated that it would not collect  
8 advance payments, deposits, or prepayments from its resold long distance customers. The Commission  
9 ordered that the performance bond or ISDLC must remain in effect until further order of the Commission  
10 ("bond requirement").

11 10. Since the Company is requesting cancellation of its authority to provide resold local  
12 exchange telecommunication services, the reason for requiring a bond in Decision No. 71219 as a condition  
13 of the Company's CC&N no longer exists. Accordingly, we agree with Staff that the Company should not  
14 be required to maintain a performance bond or ISDLC as a condition of its CC&N to provide resold long  
15 distance telecommunications services.

16 11. The Compliance Section of the Commission's Utilities Division reports that the  
17 Company is currently out of compliance with the bond requirement in Decision No. 71219 because  
18 the ISDLC provided to the Commission expired on December 31, 2012. In light of Staff's  
19 recommendation to eliminate the bond requirement, Staff does not recommend that the Commission  
20 take action against the Company for this outstanding compliance item. However, Staff believes that  
21 the Company should be put on notice that it may be subject to Commission proceedings if the  
22 Company fails to comply with any other order, rule, or regulation of the Commission.

23 12. Staff's recommendations are reasonable and should be adopted.

24 **CONCLUSIONS OF LAW**

25 1. iNetworks Group, Inc. is a public service corporation within the meaning of Article  
26 XV of the Arizona Constitution and A.R.S. §§ 40-281 and 40-282.

27 2. The Commission has jurisdiction over iNetworks Group, Inc. and the subject matter of  
28 the application.



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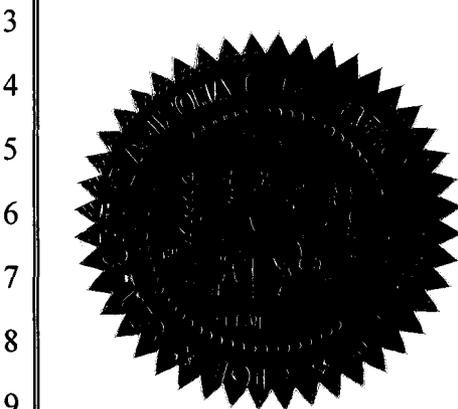
2 IT IS FURTHER ORDERED that the outstanding compliance item from Decision No. 71219,  
3 Docket No. T-20639A-08-0579, stated in Finding of Fact No. 11, is withdrawn.

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

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

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9  CHAIRMAN  COMMISSIONER

10  
11  COMMISSIONER  COMMISSIONER  COMMISSIONER



13 IN WITNESS WHEREOF, I, JODI A. JERICH, Executive  
14 Director of the Arizona Corporation Commission, have  
15 hereunto set my hand and caused the official seal of the  
16 Commission to be affixed at the Capitol, in the City of Phoenix,  
17 this 19<sup>th</sup> day of March, 2014.

18   
19 JODI A. JERICH  
20 EXECUTIVE DIRECTOR

21 DISSENT \_\_\_\_\_

22 DISSENT \_\_\_\_\_  
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1 SERVICE LIST FOR: INETWORKS GROUP, INC.

2 DOCKET NO.: T-20639A-13-0405

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