

# EXCEPTION

ORIGINAL OPEN MEETING AGENDA ITEM



## BEFORE THE ARIZONA CORPORATION

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COMMISSIONERS  
BOB STUMP, CHAIRMAN  
GARY PIERCE  
BRENDA BURNS  
BOB BURNS  
SUSAN BITTER SMITH

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2014 JUN 20 P 4 11  
CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission  
**DOCKETED**  
JUN 20 2014

DOCKETED BY nr

IN THE MATTER OF THE APPLICATION  
OF MOHAVE COOPERATIVE SERVICES,  
INC. FOR A CERTIFICATE OF  
CONVENIENCE AND NECESSITY TO  
PROVIDE COMPETITIVE RESOLD LONG  
DISTANCE, RESOLD LOCAL EXCHANGE  
AND FACILITIES-BASED LOCAL  
EXCHANGE TELECOMMUNICATIONS  
SERVICES IN ARIZONA.

**DOCKET NO. T-04268A-14-0050**  
**EXCEPTIONS OF MOHAVE  
COOPERATIVE SERVICES, INC.**

Mohave Cooperative Services, Inc. ("MCS"), by and through its undersigned counsel, hereby expresses its appreciation to Staff and the Hearing Division for their efforts in processing this matter. For the reasons set forth below, MCS respectfully requests the following additional paragraph be added to the Recommended Opinion and Order ("ROO"):

IT IS FURTHER ORDERED that CBIC Bond No. AK6717 be and hereby is exonerated and the Executive Secretary is hereby authorized to execute the Waiver and Release in the form attached hereto as Exhibit A.

Additionally, the Waiver and Release attached hereto as Exhibit A should be attached to the Decision as Exhibit A. Staff has indicated it has no objection to the addition of the foregoing ordering paragraph or with the Waiver and Release.

### DISCUSSION

MCS supports the Recommended Opinion and Order docketed June 13, 2014 but asks that the additional ordering paragraph set forth above be included in order to satisfy the bonding company and ensure that CBIC will release the \$135,000 in cash it holds as collateral

1 for the \$135,000 Bond No. AK6717.

2 In order to satisfy the conditions of Decision No. 67673, dated March 9, 2005, MCS  
3 secured Miscellaneous Bond No. AK6717 from CBIC. The bond is collateralized with  
4 \$135,000 of cash. CBIC has advised that before the \$135,000 will be returned to MCS, the  
5 Commission must exonerate<sup>1</sup> Bond No. AK6717 and execute the Waiver and Release  
6 attached hereto as Exhibit A.

7 Zero complaints, inquiries, or opinions were filed against MCS (FOF 10); no advances,  
8 deposits or prepayments were obtained by MCS from its VoIP customers (FOF 9); MCS  
9 provided notice of its intent to discontinue VoIP service in March of 2012 and re-noticed in  
10 March of 2014 (FOF 7); and the last MCS VoIP customer was successfully transferred to  
11 another provider in August of 2013 (FOF 6). Clearly, there is no longer any need for the  
12 Bond to protect nonexistent customers of telecommunication services for which the CC&N is  
13 being cancelled.

14 As noted by Staff and the ROO there is no need to return the Bond (which is not in the  
15 possession of the Commission) (FOF 9). However, the Decision should both exonerate the  
16 Bond and authorize the execution of the Release and Waiver supplied by CBIC.

17 WHEREFORE, it is respectfully requested that the proposed ordering paragraph and  
18 Exhibit A be added to the Decision.

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25 <sup>1</sup> Exonerate means "to relieve." Black's Law Dictionary, (Revised Fourth Edition, 1968).

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DATED this 20<sup>th</sup> day of June, 2014.

CURTIS, GOODWIN, SULLIVAN,  
UDALL & SCHWAB, P.L.C.

By: 

William P. Sullivan  
Michael A. Curtis  
501 East Thomas Road  
Phoenix, Arizona 85012-3205  
Attorneys for Mohave Cooperative Services, Inc.

PROOF AND CERTIFICATE OF MAILING

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I hereby certify that on this 20<sup>th</sup> day of June, 2014, I caused the foregoing document to be served on the Arizona Corporation Commission by delivering the original and thirteen (13) copies of the above to:

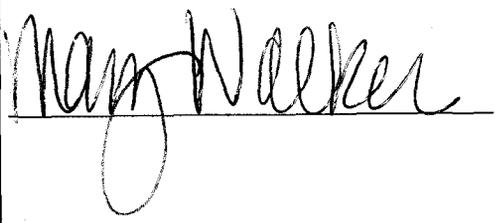
Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Copies of the foregoing hand-delivered to:

Ms. Lyn Farmer  
Chief Administrative Law Judge, Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Janice Alward, Esq.  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

Steven M. Olea  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007



# EXHIBIT A



an RLI Company

Contractors Bonding and Insurance Company

P.O. Box 3961 | Peoria, IL 61612-3961
UPS/FedEx: 9025 N. Lindbergh Drive | Peoria, IL 61615-1431
P: 800-765-2242 | F: 866-692-6796 | www.rlicorp.com

WAIVER AND RELEASE

Obligee: The Users of Principal
Bond: AK6717
Principal: Mohave Cooperative Services, Inc.
Surety: CBIC

The undersigned, as Trustee with full authority to bind the Trustee and Obligee, does hereby fully and finally exonerate the Bond and release any claim or rights the Obligee and its successors and assigns have or may ever have against Surety and Principal arising out of the above referenced Bond.

Dated: \_\_\_\_\_, 201\_\_

ARIZONA CORPORATION COMMISSION
Address: \_\_\_\_\_
Phone: \_\_\_\_\_

By: \_\_\_\_\_
(Print or type name of person signing)

(Sign here)
Its: \_\_\_\_\_
(Title of person signing)

STATE OF \_\_\_\_\_ )
COUNTY OF \_\_\_\_\_ )

SS.

I certify that I know or have satisfactory evidence that \_\_\_\_\_, who personally appeared before me, signed this instrument, on oath stated that he/she was authorized to execute the instrument as the \_\_\_\_\_ for the above referenced Claimant, and acknowledged to me that such corporation or entity executed the within instrument.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_

Notary Public in and for the State of \_\_\_\_\_,
Residing at \_\_\_\_\_,
My commission expires \_\_\_\_\_