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# OPEN MEETING

## MEMORANDUM

Arizona Corporation Commission

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TO: THE COMMISSION

DOCKETED

FROM: Utilities Division

NOV 25 2014

2014 NOV 25 A 10:12

DATE: November 25, 2014

DOCKETED BY 

CORP COMMISSION  
DOCKET CONTROL

RE: IN THE MATTER OF PEERLESS NETWORK OF ARIZONA, LLC FOR APPROVAL RESCISSION OF THEIR BOND (DOCKET NO. T-20590A-14-0358)

### Introduction

On October 2, 2014, Peerless Network of Arizona, LLC ("Peerless" or "Applicant") submitted an Application requesting rescission of the \$225,000 performance bond requirement contained in Decision No. 70976.

### Background

On May 5, 2009, in Decision No. 70976, the Arizona Corporation Commission ("Commission") ordered Peerless to procure a performance bond or irrevocable sight draft letter of credit ("ISDLOC") equal to \$225,000. On September 29, 2009, Peerless docketed a notice that it had delivered three original performance bonds, one in the amount of \$25,000 and two in the amount of \$100,000 each, for a total of \$225,000, to the Commission's Business Office. On March 30, 2010, Peerless docketed a notice that the two \$100,000 bonds it previously stated had been delivered to the Commission's Business Office were in fact copies of those bonds. The filing confirmed the mistake had been rectified and the two original \$100,000 bonds had now been delivered to the Commission's Business Office. Utilities Division Staff ("Staff") has confirmed the Business Office is in possession of all three bonds totaling \$225,000.

### Compliance

According to the Corporations Division, Peerless is in good standing. The Compliance Section of the Utilities Division reports that Peerless is currently in compliance. The Consumer Services Section of the Utilities Division reports there have been no complaints or opinions about Peerless for the period of January 1, 2011 to October 14, 2014.

### Staff Recommendations

The Commission has, in appropriate circumstances, relieved telecommunications providers of the obligation to maintain a performance bond or ISDLOC. Staff recommends Peerless be relieved of the \$225,000 performance bond or ISDLOC obligation contained in Decision No. 70976.

ORIGINAL

THE COMMISSION

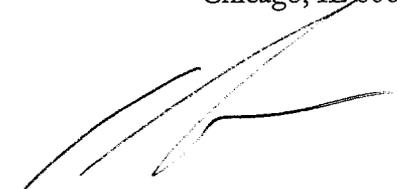
November 21, 2014

Page 2

The Applicant states that in order to release the bonds, it is sufficient for the Commission to include in an ordering paragraph language authorizing the Applicant to cancel, rescind, discontinue and be released from the three performance bonds.

Peerless indicates in the Application the bonds should be returned to the following name and address:

Ms. Julie Oost  
222 S. Riverside Plaza  
Suite 2730  
Chicago, IL 60606



Steven M. Olea  
Director  
Utilities Division

SMO:MAC:sms\BH

ORIGINATOR: Matt Connolly

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**BEFORE THE ARIZONA CORPORATION COMMISSION**

- BOB STUMP  
Chairman
- GARY PIERCE  
Commissioner
- BRENDA BURNS  
Commissioner
- BOB BURNS  
Commissioner
- SUSAN BITTER SMITH  
Commissioner

IN THE MATTER OF PEERLESS  
 NETWORK OF ARIZONA, LLC FOR  
 APPROVAL OF RESCISSION OF THEIR  
 BOND.

DOCKET NO. T-20590A-14-0358  
 DECISION NO. \_\_\_\_\_  
ORDER

Open Meeting  
 December 11 and 12, 2014  
 Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. On October 2, 2014, Peerless Network of Arizona, LLC (“Peerless” or “Applicant”) submitted an Application requesting rescission of the \$225,000 performance bond requirement contained in Decision No. 70976.

**Background**

2. On May 5, 2009, in Decision No. 70976, the Arizona Corporation Commission (“Commission”) ordered Peerless to procure a performance bond or irrevocable sight draft letter of credit (“ISDLOC”) equal to \$225,000. On September 29, 2009, Peerless docketed a notice that it had delivered three original performance bonds, one in the amount of \$25,000 and two in the amount of \$100,000 each, for a total of \$225,000, to the Commission’s Business Office. On March 30, 2010, Peerless docketed a notice that the two \$100,000 bonds it previously stated had been delivered to the Commission’s Business Office were in fact copies of those bonds. The filing went on to confirm that the mistake had been rectified and the two original \$100,000 bonds had now been delivered to the

1 Commission's Business Office. Utilities Division Staff ("Staff") has confirmed the Business Office is  
2 in possession of all three bonds totaling \$225,000.

3 **Compliance**

4 3. According to the Corporations Division, Peerless is in good standing. The Compliance  
5 Section of the Utilities Division reports that Peerless is currently in compliance. The Consumer  
6 Services Section of the Utilities Division reports there have been no complaints or opinions about  
7 Peerless for the period of January 1, 2011 to October 14, 2014.

8 **Staff Recommendations**

9 4. The Commission has, in appropriate circumstances, relieved telecommunications  
10 providers of the obligation to maintain a performance bond or ISDLOC. Staff recommends Peerless  
11 be relieved of the \$225,000 performance bond or ISDLOC obligation contained in Decision No.  
12 70976.

13 5. The Applicant states that in order to release the letter of credit, it is sufficient for the  
14 Commission to include in an ordering paragraph language authorizing the Applicant to cancel, rescind,  
15 discontinue and be released from the performance bond or ISDLOC required by Decision No. 70976.

16 6. Peerless indicates in the Application the letter of credit should be released and  
17 returned to the following name and address:

18 Ms. Julie Oost  
19 222 S. Riverside Plaza  
20 Suite 2730  
Chicago, IL 60606

21 CONCLUSIONS OF LAW

22 1. Peerless Network of Arizona, LLC is a public service corporation within the meaning  
23 of Article XV of the Arizona Constitution.

24 2. The Commission has jurisdiction over Peerless Network of Arizona, LLC and the  
25 subject matter in this filing.

26 ...

27 ...

28 ...



1 IT IS FURTHER ORDERED that any performance bond on file with the Commission on  
2 behalf of Peerless Network of Arizona, LLC be returned to the following name and address provided  
3 by the Applicant:

4 Ms. Julie Oost  
5 222 S. Riverside Plaza  
6 Suite 2730  
7 Chicago, IL 60606

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

9 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

10  
11 CHAIRMAN

COMMISSIONER

12  
13 COMMISSIONER

COMMISSIONER

COMMISSIONER

14  
15 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
16 Director of the Arizona Corporation Commission, have  
17 hereunto, set my hand and caused the official seal of this  
18 Commission to be affixed at the Capitol, in the City of  
19 Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

20 \_\_\_\_\_  
21 JODI JERICH  
22 EXECUTIVE DIRECTOR

23 DISSENT: \_\_\_\_\_

24 DISSENT: \_\_\_\_\_

25 SMO:MAC:sms\BH

1 SERVICE LIST FOR: Peerless Network of Arizona, LLC  
2 DOCKET NO. T-20756A-14-0266

3 Mr. Brian C. Kalas, Esq.  
4 Niehaus & Associates, Ltd  
5 7150 Granite Circle  
6 Suite 203  
7 Toledo, Ohio 43617

8 Mr. Steven M. Olea  
9 Director, Utilities Division  
10 Arizona Corporation Commission  
11 1200 West Washington Street  
12 Phoenix, Arizona 85007

13 Ms. Janice M. Alward  
14 Chief Counsel, Legal Division  
15 Arizona Corporation Commission  
16 1200 West Washington Street  
17 Phoenix, Arizona 85007

18 Ms. Lyn Farmer  
19 Chief Administrative Law Judge  
20 Arizona Corporation Commission  
21 1200 West Washington Street  
22 Phoenix, Arizona 85007

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