

**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

In the Matter of the Application of
Peerless Network of Utah, LLC
for a Certificate of Public Convenience and
Necessity to Provide Telecommunications
Services in the State of Utah

Docket No. _____

APPLICATION

Peerless Network of Utah, LLC (“Peerless” or “Applicant”), by its undersigned counsel and pursuant to Chapter 8b of Title 54 of the Utah Code, Utah Admin. Code §§ 746-100 *et seq.*, and the rules and regulations of the Utah Public Service Commission (“Commission”), hereby applies for a Certificate of Public Convenience and Necessity to authorize it to provide telecommunications services in the state of Utah.

In support of its application, Applicant provides the following information:

1. GENERAL INFORMATION

Corporate Information

A. Applicant’s legal name is Peerless Network of Utah, LLC. Applicant’s principal place of business is located at:

Peerless Network of Utah, LLC
222 S. Riverside Plaza
Suite 2730
Chicago, IL 60606
Telephone: (312) 506-0920
Facsimile: (312) 506-0931
Toll Free: (888) 380-2721
www.peerlessnetwork.com

B. Applicant is a limited liability company organized on January 18, 2011, under the laws of the State of Utah. A copy of Applicant’s Articles of Organization is attached hereto as

Exhibit A.

Contact Information:

Correspondence or communications pertaining to this Application should be directed to:

Julie Oost
Peerless Network, Inc.
222 S. Riverside Plaza Suite 2730
Chicago, IL 60606
Telephone: 312-878-4137
Fax: 312-506-0931
Email: joost@peerlessnetwork.com

Questions concerning the ongoing operations of Applicant following certification should be directed to:

Patrick Phipps, Director Regulatory Affairs
222 S. Riverside Plaza
Suite 2730
Chicago, IL 60606
Telephone: (312) 506-0933
Facsimile: (312) 506-0931
Toll Free: (888) 380-2721

Applicant's registered agent in the State of Utah is:

CT Corporation System
136 East South Temple
Suite 2100
Salt Lake City, UT 84111

Customer Service Information:

Applicant's toll-free number for customer inquiries is (888) 380-2721.

2. R746-349-3(A)(2) Proof of bond in the amount of \$100,000

The bond is intended to provide security for customer deposits or other liabilities to telecommunications customers of the Applicant. Peerless does not plan to collect customer deposits or offer any prepaid services in Utah. Peerless hereby requests a waiver of this bond requirement.

3. R746-349-3(A)(3) Construction or Acquisition of Facilities

As business demand warrants, Applicant may deploy its own switching platform facilities in collocated sites in Utah. Peerless will provide local exchange services through resale or unbundled interconnection with the Incumbent Local Exchange Carrier (“ILEC”). Peerless seeks certification to provide access to resold and facilities-based local and interexchange services.

4. R746-349-3(A)(4) Services to be offered

(a) R746-349-3(A)(4)(a) Classes of customers

Applicant intends to offer its services to business customers.

(b) R746-349-3(A)(4)(b) Location of service

Peerless seeks authority to offer interexchange and local exchange services on a statewide basis, with the exception of exchange areas with fewer than 5,000 access lines that are owned or controlled by an ILEC with fewer than 30,000 total access lines in accordance with Utah Code Ann. § 54-8b-2.1. If additional areas become open to competition, Peerless seeks authority to provide services in those areas. To the extent Peerless provides basic local exchange service, it will initially do so in the areas served by Qwest d/b/a CenturyLink.

(c) R746-349-3(A)(4)(c) Services Offered

Peerless seeks authority to provide all forms of facilities-based and resold local exchange, interexchange, and access telecommunications services to and from all points in the State of Utah that are currently or become open to competition. Applicant will initially utilize resold services and combinations of network elements provided by underlying carrier(s). Underlying carriers will perform switching, routing and call completion functions. Applicant will transition to facilities-based service provisioning as market forces permit.

5. R746-349-3(A)(5) Access to standard services

To the extent Peerless provides basic local exchange services it will provide access to local exchange, operator services, directory assistance, directory listings, and emergency services such as 911 and E911 either through facilities-based interconnection or resale services purchased directly from the ILEC.

6. R746-349-3(A)(6) Implementation schedule

Peerless intends to initiate its operations in Utah upon receipt of authority and execution of an interconnection agreement with Qwest d/b/a CenturyLink.

7. R746-349-3(A)(7) Professional experience and education of managerial personnel and personnel responsible for Utah operations

Peerless does not plan to operate an office within Utah. Responsibility for Utah operations will be handled by Applicant's current management team from its headquarters in Chicago, Illinois. Descriptions of the extensive telecommunications and managerial experience of Applicant's key personnel are attached hereto as **Exhibit B**.

8. R746-349-3(A)(8) Organization Chart

Please see Exhibit B for managerial team responsible for Utah operations.

9. R746-349-3(A)(9) Chart of Accounts

Applicant's chart of accounts including account numbers, names and brief descriptions is attached hereto as **Exhibit C**.

10. R746-349-3(A)(10) Financial Statements

Peerless Network of Utah, LLC is a wholly owned-subsiary of Peerless Network, Inc. Peerless Network, Inc.'s financial statements are attached as **Exhibit D**, including the most recent balance sheet and income statements. These financial statements demonstrate that the Applicant has sufficient financial resources to initiate operations and provide the services for which it seeks authority. Please note that the information provided in **Exhibit D** is proprietary and has been attached in a sealed envelope marked "**Confidential – Subject to Public Service Commission of Utah Rule R746-100-16.**" As it contains sensitive information regarding Applicant's business operations, Peerless respectfully requests that this information be treated confidentially and not be released to any member of the public absent Applicant's prior written permission.

(a) R746-349-3(A)(10)(a) Balance Sheet, Income Statement and Cash Flow Statement

Peerless Network of Utah, LLC is a newly formed organization having no current balance sheet. Peerless Network of Utah, LLC is a wholly owned-subsiary of Peerless Network, Inc. Peerless Network, Inc.'s financial statements are attached as **Exhibit D** to this Application.

(b) R746-349-3(A)(10)(b) Letter from Management

Included with **Exhibit D** is a letter from Peerless management that attests to the accuracy, integrity and objectivity of the financial statements and that the statements were prepared in accordance with GAAP.

(c) R746-349-3(A)(10)(c) Start-up Company

See **Exhibit D** to this Application.

(d) R746-349-3(A)(10)(d) Parent Company Financials

Applicant is a wholly-owned subsidiary of Peerless Network, Inc. **Exhibit D** to this Application contains Peerless Network Inc.'s most recent balance sheet, income statement, and cash flow statement, prepared in accordance with GAAP.

11. R746-349-3(A)(11) Additional Financial Information

(a) R746-349-3(A)(11)(a) Positive Net Worth

As indicated in the financial statements in Exhibit D, Peerless has a positive net worth.

(b) R746-349-3(A)(11)(b) Income and Cash Flow

The parent company financial statements provided in Exhibit D show that Applicant has sufficient and verifiable cash flow to meet cash needs as shown in a five -year projection of expected operations (see paragraph 12 below).

(c) R746-349-3(A)(11)(c) Proof of Bond

Applicant requests a waiver as the company does not solicit customer deposits or offer any prepaid telecommunications services.

12. R746-349-3(A)(12) Five-year Projection

(a) R746-349-3(A)(12)(a) Proforma Income and Cash Flow Statements

See **Exhibit E** for financial projections.

(b) R746-349-3(A)(12)(b) Technical Description

The Company intends to provide service through the use of resold and facilities-based interconnection services. As market conditions permit, Applicant may deploy its own switching platform in collocates sites throughout Utah.

(c) R746-349(A)(12)(c) Maps of Facilities Locations

Not applicable. Peerless does not currently own property in Utah and has not completed plans for construction of voice or transport facilities in Utah.

13. R746-349-3(A)(13) Implementation schedule

The Company will enter into negotiations with Qwest Communications d/b/a CenturyLink for an interconnection/commercial agreement as soon as the Company is granted authority to provide telecommunications services in Utah. The Company intends to offer service in Utah upon a valid request from customers in its target market.

14. R746-349-3(A)(14) Technical and managerial abilities

Peerless Network of Utah, LLC is a wholly-owned subsidiary of Peerless Network, Inc. All members of Applicant's management team are also officers and/or directors of Peerless Network, Inc. and its affiliated companies. (see **Exhibit F** for a list of states in which Peerless Network affiliated companies are certified to provide telecommunications services or states in which applications for certificates are currently pending). Applicant's management team has extensive experience in the telecommunications industry as evidenced in Exhibit B. In addition, technical resources will be provided by Peerless Network, Inc. staff. Neither Applicant nor any of its affiliates has had an application denied or rejected, or a certificate revoked in any jurisdiction.

(a) R746-649-3(A)(14)(a) Proof of Certification

See **Exhibit F** to this Application.

(b) R746-349-3(A)(14)(b) Experience

Not applicable.

15. R746-349-3(A)(15) Public Interest

Approval of Peerless' Application will serve the public interest by creating greater competition in the local exchange and interexchange marketplaces. The public convenience and necessity, therefore, will be served by the issuance of a Certificate of Public Convenience and Necessity to Applicant authorizing it to provide the services described in this Application.

16. R746-349-3(A)(16) Proof of Authority to Conduct Business in Utah

See **Exhibit A** to this Application.

17. R746-349-3(A)(17) Unauthorized switching, solicitation of new customers and prevention of unauthorized switching.

Peerless will comply with Utah law and the Federal Communications Commission's ("FCC's) regulations regarding how interexchange carriers may change a consumer's Primary Interexchange Carrier ("PIC"). Peerless will also comply with the FCC's regulations regarding how carriers may change a consumer's primary local exchange provider.

(a) R746-349-3(A)(17)(a) Sanctions

Peerless has never had sanctions imposed against it for unauthorized switching.

(b) R746-349-3(A)(17)(b)

Not applicable.

(c) R746-349-3(A)(17)(c)

Not applicable.

18. R746-349-3(A)(18) Applicant's written policies

Applicant utilizes company sales representatives to market its services. Applicant's marketing plan for Utah will be limited in nature. As such, Peerless anticipates that exposure to unauthorized switching of customers will be virtually non-existent. Peerless will comply with all FCC and state requirements regarding solicitation and authorization for preferred carrier changes.

WHEREFORE, Peerless Network of Utah, LLC, respectfully requests that the Utah Public Service Commission issue a Certificate of Public Convenience and Necessity authorizing Peerless Network of Utah, LLC to provide telecommunications services in the State of Utah.

Respectfully submitted,

Julie Oost
Peerless Network, Inc.
222 S. Riverside Plaza Suite 2730
Chicago, IL 60606
Telephone: 312-878-4137
Fax: 312-506-0931
Email: joost@peerlessnetwork.com

Dated: _____

LIST OF EXHIBITS

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| EXHIBIT A | Articles of Organization |
| EXHIBIT B | Managerial and Technical Qualifications |
| EXHIBIT C | Chart of Accounts |
| EXHIBIT D | Financial Statements |
| EXHIBIT E | Five-Year Projection of Expected Operations |
| EXHIBIT F | Evidence of Certification in Other Jurisdictions |
| EXHIBIT G | Testimony of John Barnicle |
| VERIFICATION | |