



October 26, 2017

Via E-filing and overnight delivery

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
500 East Capitol Avenue
Capitol Building, 1st Floor
Pierre, SD 57501

RE: Peerless Network of South Dakota, LLC – Application for a Certificate of Authority for Local Exchange and Interexchange Telecommunications Services

Dear Ms. Van Gerpen:

Enclosed for filing please find the Application submitted on behalf of Peerless Network of South Dakota, LLC for certificates of authority for local exchange and interexchange telecommunications services. Financial statements are being filed with the application as Confidential. Please handle in accordance with your procedures for Confidential Treatment pursuant to ARSD 20:10:01:41. A check in the amount of \$250 for the filing fee is enclosed.

Any questions about this Application should be directed to me at the contact information below. Thank you for your assistance in this matter.

DocuSigned by:
Julie M. Oost
D864F87438A2433...

Julie Oost
Peerless Network, Inc.
222 South Riverside Plaza, Suite 2730
Chicago, IL 60606
Office: (312) 878-4137
Email: regulatory@peerlessnetwork.com

**BEFORE THE
SOUTH DAKOTA PUBLIC SERVICE COMMISSION
APPLICATION FOR A CERTIFICATE OF AUTHORITY
ON BEHALF OF
PEERLESS NETWORK OF SOUTH DAKOTA, LLC**

Pursuant to Rule 20:10:24:02 and 20:10:32:03 of the Commission's Telecommunications Services Rules, Peerless Network of South Dakota, LLC ("Peerless" or "Applicant") submits the following registration information.

1. The applicant's name, address, telephone number, facsimile number, webpage URL, and e-mail address (20:10:24:02(1) & 20:10:32:03(1)):

Peerless Network of South Dakota, LLC
222 South Riverside Plaza, Suite 2730
Chicago, IL 60606
Telephone: (312) 878-4137
Facsimile: (312) 757-4874
Webpage URL: www.peerlessnetwork.com
E-mail address: regulatory@peerlessnetwork.com

2. A description of the legal and organizational structure of the applicant's company (20:10:24:02(2) & 20:10:32:03(2)):

Applicant is a South Dakota Limited Liability Company organized on October 25, 2013.

3. The name under which applicant will provide local exchange / interexchange services if different than in subdivision (1) of this section (20:10:24:02(3) & 20:10:32:03(3)):

Same name as in subdivision (1).

4. The location of the applicant's principal office, if any, in this state and the name and address of its current registered agent, if applicable (20:10:24:02(5) & 20:10:32:03(4)):

Applicant has no principal office in South Dakota. Its headquarters are located at the address provided in #1 above.

The name and address of Applicant's current registered agent is:
Cogency Global, Inc.
326 N. Madison Ave.
Pierre, SD 57501-2629

5. A copy of its certificate of authority to transact business in South Dakota from the secretary of state (20:10:24:02(4) & 20:10:32:03(5)):

A copy of Peerless' certificate of authority is attached as Exhibit A.

6. A description of the applicant's experience providing any telecommunications services in South Dakota or in other jurisdictions, including the types of services provided, and the dates and nature of state or federal authorization to provide the services (20:10:32:03(6)):

Peerless proposes to offer competitive local exchange and interexchange services, including exchange access service, within the State of South Dakota. It will utilize a combination of its own facilities and those leased from other facilities-based providers (e.g., incumbent local exchange carriers). Applicant intends to negotiate an interconnection agreement with CenturyLink QC once it obtained a certificate to provide telecommunications services.

Peerless's parent company, Peerless Network, Inc. ("PNI"), has operating subsidiaries (Peerless Network of [STATE], LLC) that are authorized to provide telecommunications services in 44 states and the District of Columbia. PNI also has an operating subsidiary (Airus, Inc.) that is authorized to provide telecommunications services in 48 states (including South Dakota¹) and the District of Columbia.

7. Names and addresses of applicant's affiliates, subsidiaries, and parent organizations, if any (20:10:32:03(7)):

An organizational chart and list of operating affiliates authorized to provide telecommunications services is attached as Exhibit B.

8. A list and specific description of the types of services the applicant seeks to offer and how the services will be provided including (20:10:24:02(6) and (7) & 20:10:32:03(8)):

(a) Information indicating the classes of customers the applicant intends to serve.

Applicant proposes to provide primarily competitive access services, high-capacity telecommunications services, including private line, transport, and long-distance services for enterprise customers, carriers and other network providers. Applicant may also provide a range of facilities-based and resold local exchange services to business customers.

¹ Airus, Inc. (formerly IntelPeer, Inc.) was certified by the South Dakota Public Utilities Commission in Docket No. TC10-001.

- (b) **Information indicating the extent to and time-frame by which applicant will provide service through the use of its own facilities, the purchase of unbundled network elements, or resale.**

Applicant intends to begin providing service within 6 months of obtaining a certificate. Once service begins, Applicant will provide service through a combination of its own facilities, facilities leased from other carriers, and the resale of facilities and equipment of incumbent local exchange carriers.

- (c) **A description of all facilities that the applicant will utilize to furnish the proposed local exchange services, including any facilities of underlying carriers.**

Applicant will provision telecommunications services through a combination of its own facilities, facilities leased from other carriers, and the resale of facilities and equipment of incumbent local exchange carriers. Applicant will utilize its parent company's nationwide IP network to provide services. This IP network has points of presence in dozens of metropolitan areas across the Nation, and is connected to nearly every major domestic carrier offering call origination and termination services in over 100 LATAs and 30 MTAs. Peerless also operates a diverse and redundant nationwide 10 Gbps transport network supporting sub second failover at all layers.

- (d) **Information identifying the types of services it seeks authority to provide by reference to the general nature of the service.**

Peerless intends to offer local exchange service and interexchange long distance service to business and enterprise customers.

9. **A service area map or narrative description indicating with particularity the geographic area proposed to be served by the applicant (20:10:24:02(8) & 20:10:32:03(9)):**

Peerless intends to offer its services initially in the territory now served by CenturyLink QC. The Company will adhere to the service area maps defined by the incumbent local exchange carriers.

10. **Information regarding the technical competence of the applicant to provide its proposed local exchange services including: (20:10:32:03(10)):**

- (a) **A description of the education and experience of the applicant's management personnel who will oversee the proposed local exchange services.**

Attached hereto as Exhibit C is a description of the education and experience of Peerless's management personnel.

- (b) **Information regarding policies, personnel, or arrangements made by the applicant which demonstrates the applicant's ability to respond to customer complaints and inquiries promptly and to perform facility and equipment maintenance necessary to ensure compliance with any commission quality of service requirements.**

Applicant is responsible for all customer inquiries and complaints. The toll-free telephone number for customer inquiries and complaints is: (888) 380-2721. Technical issues are directed to Peerless' Network Operations Center ("NOC"), which is available to handle network issues seven days a week, twenty-four hours a day. Peerless' NOC can be reached by calling (888) 662-7757. Company personnel that handle these issues are:

For regulatory matters:

Julie Oost
Peerless Network, Inc.
Vice President, Regulatory Affairs
Telephone: (312) 878-4137
Email: regulatory@peerlessnetwork.com

For technical / operational matters:

Scott Kell
Peerless Network, Inc.
Executive Vice President, Operations
Telephone: (312) 506-0922
Email: skell@peerlessnetwork.com

For complaint matters:

Patrick Phipps
Peerless Network, Inc.
Director, Regulatory Affairs
Telephone: (312) 506-0933
Email: regulatory@peerlessnetwork.com

11. Information explaining how the applicant will provide customers with access to emergency services such as 911 or enhanced 911, operator services, interexchange services, directory assistance, and telecommunications relay services (20:10:32:03(11)):

Applicant will ensure that its retail customers have access to 911 services, operator services, directory assistance and telecommunications relay services. Peerless will enter into an interconnection agreement with an incumbent local exchange carrier that will allow Peerless to interconnect with the appropriate 911 network as needed for its retail customers. Peerless's wholesale customers are responsible for providing their end user customers access to 911 and other services.

12. For the most recent 12 month period, financial statements of the applicant consisting of balance sheets, income statements, and cash flow statements. The applicant shall provide audited financial statements, if available (20:10:24:02(9) & 20:10:32:03(12)):

Audited financial statements are provided as Exhibit D, which is being filed under seal.

13. Information detailing the following matters associated with interconnection to provide proposed local exchange services (20:10:32:03(13)):

(a) The identity of all local exchange carriers with which applicant plans to interconnect.

Peerless intends to initially enter into an interconnection agreement with CenturyLink QC. Peerless will consider interconnection agreements with other local exchange carriers as demand warrants.

(b) The likely timing of initiation of interconnection service and a statement as to when negotiations for interconnection started or when negotiations are likely to start.

Peerless will submit an interconnection agreement request to CenturyLink QC immediately after obtaining local exchange service authority, and negotiations will begin shortly thereafter. Peerless anticipates initiating interconnection with CenturyLink QC within six months of obtaining local service authority.

(c) A copy of any request for interconnection made by the applicant to any local exchange carrier.

Please refer to response to 13(b) above.

14. A description of how the applicant intends to market its local exchange services, its target market, whether the applicant engages in multilevel marketing, and copies of any company brochures that will be used to assist in sale of the services (20:14:24:02(16) & 20:10:32:03(14)):

Applicant plans to initially market its services to wholesale customers and to enterprise customers. Marketing of services will be done through its direct sales staff.

15. If the applicant is seeking authority to provide local exchange service in the service area of a rural telephone company, the date by which the applicant expects to meet the service obligations imposed pursuant to § 20:10:32:15 and applicant's plans for meeting the service obligations (20:10:32:03(15)):

Peerless is not seeking authority to provide retail, end user local exchange service in the service area of rural telephone companies. Peerless may, upon receipt of a request for service from a prospective customer, enter into an interconnection and/or porting agreement with a rural telephone company. There are no such requests at this time.

16. A list of states in which the applicant is registered or certified to provide telecommunications services, whether the applicant has ever been denied registration or certification in any state and the reasons for any such denial, a statement as to whether or not the applicant is in good standing with the appropriate regulatory agency in the

states where it is registered or certified, and a detailed explanation of why the applicant is not in good standing in a given state, if applicable (20:10:24:02(15) & 20:10:32:03(16)):

Peerless Network of South Dakota, LLC is not certified/registered in any other state. However, Applicant's parent company, PNI, has operating subsidiaries (Peerless Network of [STATE], LLC) that are authorized to provide telecommunications services in 44 states and the District of Columbia (not currently certified in Alabama, Alaska, Hawaii, Idaho, Iowa, and South Dakota). In addition, PNI also has operating subsidiaries (Airus, Inc.) that are authorized to provide telecommunications services in 48 states and the District of Columbia (not currently certified in Alaska or South Carolina). Applicant has never been denied registration or certification in any state. Applicant's affiliates are in good standing in all states in which they are registered / certified.

17. The names, addresses, telephone numbers, E-mail addresses, and facsimile numbers of the applicant's representatives to whom all inquiries must be made regarding customer complaints and other regulatory matters (20:10:24:02(10) & 20:10:32:03(17)):

See response to #10 above.

18. Information concerning how the applicant plans to bill and collect charges from customers who subscribe to its proposed local exchange services (20:10:24:02(11) & 20:10:32:03(18)):

Peerless will bill local exchange and interexchange customers directly. Customer payments will be made directly to Peerless and Peerless will have no payment centers in South Dakota. Peerless will use a third-party Carrier Access Billing Services ("CABS") billing vendor for billing customers of exchange access service.

19. Information concerning the applicant's policies relating to solicitation of new customers and a description of the efforts the applicant shall use to prevent the unauthorized switching of local service customers by the applicant, its employees, or agents (20:10:24:02(12) & 20:10:32:03(19)):

Applicant will use a direct sales approach to marketing its services. Applicant will not use any form of multilevel marketing in the sale of its services. Peerless uses a written Letter of Authorization ("LOA") to prevent the unauthorized switching of local service customers. Peerless's Local Number Portability ("LNP") department utilizes policies and procedures to protect against slamming.

20. The number and nature of complaints filed against the applicant with any state or federal commission regarding the unauthorized switching of a customer's

telecommunications service provider and the act of charging customers for services that have not been ordered (20:10:24:02 (18) & 20:10:32:03(20)):

There are no such complaints. Applicant is not currently certified in any other state.

- 21. Information concerning how the applicant will make available to any person information concerning the applicant's current rates, terms, and conditions for all of its telecommunications services (20:10:24:02(13) & 20:10:32:03(21)):**

Peerless will post its rates, terms and conditions for its local exchange, interexchange and exchange access services to its website. This will be available at www.peerlessnetwork.com shortly after obtaining its requested authority. Applicant's switched access tariff will also be filed with the Commission.

- 22. Information concerning how the applicant will notify a customer of any materially adverse change to any rate, term, or condition of any telecommunications service being provided to the customer. The notification must be made at least thirty days in advance of the change (20:10:24:02(14) & 20:10:32:03(22)):**

Peerless will notify customers directly or via bill insert thirty days in advance of the change, as warranted by the nature of the change.

- 23. A written request for waiver of those rules believed to be inapplicable (20:10:24:02(19) & 20:10:32:03(23)):**

Not applicable.

- 24. Federal tax identification number and South Dakota sales tax number (20:10:24:02(17) & 20:10:32:03(24)):**

The Federal Tax Identification Number of Applicant's parent company, PNI, is 94-3479638. Applicant's South Dakota tax license number is 1028-8477-ST.

- 25. Other information requested by the Commission needed to demonstrate that the applicant has sufficient technical, financial, and managerial capabilities to provide the local exchange services it intends to offer consistent with the requirements of this chapter and other applicable rules and laws (20:10:24:02(20) & 20:10:32:03(25)):**

This application and supporting exhibits demonstrate Applicant's technical, financial and managerial resources to provide local exchange and interexchange telecommunications services in the State of South Dakota. Applicant stands ready to provide any additional information requested by the Commission.

Dated: October 25, 2017.

Respectfully Submitted,

DocuSigned by:
John Barnicle
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John Barnicle
President and CEO
Peerless Network, Inc.