

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of) DOCKET NO. 960843-TA
transfer of control of) ORDER NO. PSC-96-1279-FOF-TA
Continental Fiber Technologies,) ISSUED: October 14, 1996
Inc. d/b/a AlterNet, holder of)
Alternative Access Vendor)
Certificate No. 2973, from)
Continental Cablevision, Inc. to)
U S West, Inc.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman
J. TERRY DEASON
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING TRANSFER OF CONTROL

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Continental Fiber Technologies, Inc., d/b/a AlterNet, a Florida corporation (AlterNet), holds Florida Public Service Commission Certificate No. 2973, issued June 16, 1992, to provide telecommunications services as an Alternative Access Vendor. By Order No. PSC-95-1256-FOF-TX, issued October 11, 1995, we acknowledged AlterNet's authority pursuant to Section 364.337 (6)(b), Florida Statutes, to provide alternative local exchange telecommunications service effective January 1, 1996.

The majority ownership interest in AlterNet is held by Continental Telecommunications Corp. (Continental-TC). The minority ownership interest in AlterNet is held by Adelphia Communications Corporation through its subsidiaries Hyperion Telecommunications of Florida, Inc. and Hyperion Telecommunications, Inc.

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FPSC-RECORDS/REPORTING

Continental-TC is a wholly-owned subsidiary of Continental Cablevision, Inc. (Continental), which is the third-largest cable television system operator in the United States. Continental is a joint applicant for approval of the transfer of control of AlterNet through the contemplated transaction described below.

On February 27, 1996, Continental and U S West, Inc. (U S West), entered into an Agreement and Plan of Merger (Merger Agreement) under which Continental is to merge with and into a subsidiary of U S West, with the U S West subsidiary continuing after the merger as the surviving corporation. U S West is a joint applicant in this application; a copy of the Merger Agreement is attached as Attachment B in the application.

U S West is a diversified global communications company, conducting its operations through U S West Media Group (U S West-MG) and U S West Communications Group (U S West-CG). U S West-CG is a Regional Bell Operating Company, providing telecommunications services to more than 25 million residential and business customers in the 14 states listed in response to Question No. 11 of the application. U S West-MG is comprised of:

- (i) cable and telecommunications network operations outside of U S West-CG's 14-state region and internationally;
- (ii) domestic and international wireless communications network operations; and
- (iii) domestic and international directory and information services operations, including telephone directories.

Continental and U S West contemplate that Continental will be operated as a unit of U S West-MG after the merger. The terms of the Merger Agreement call for U S West to acquire from Continental shareholders all of the stock and assets of Continental in exchange for cash or stock in U S West and U S West-MG or both cash and stock. The Merger Agreement calls for closing of the planned transaction when the requisite regulatory and other approvals are obtained, providing for such closing to occur as early as November 15, 1996.

As a result of this exchange, U S West will hold all of the stock of Continental and, necessarily, all of the stock of Continental's wholly-owned subsidiary, Continental-TC, and a majority of the stock of AlterNet. Upon completion of the transaction as planned, control of AlterNet will be transferred to U S West. The merger will have no effect on the legal status of Continental-FL, nor on its books and records. Continental and U S

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West intend that the day-to-day operations of Continental will continue to be handled by the same experienced management group now in control of Continental.

Upon consideration, we find that the terms and conditions of services offered by these companies will not be affected by this transaction.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the transfer of Continental Fiber Technologies, Inc., d/b/a Alternet, holder of Alternative Access Vendor Certificate No. 2973, from Continental Cablevision, Inc. to U S West, Inc. is hereby approved as outlined in the body of this Order. It is further

ORDERED that, unless a person whose interests are substantially affected by the action proposed herein files a petition in the form and by the date specified in the Notice of Judicial Review, below, the approval shall become effective on the following date and this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 14th day of October, 1996.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay Flynn
Chief, Bureau of Records

(S E A L)

NSR/MCB

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 4, 1996.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party substantially affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.