

**Before the
STATE OF FLORIDA
PUBLIC SERVICE COMMISSION**

Application of)
Dominion Telecom, Inc.)
for a Authority to Provide)
Facilities and Resold Interexchange)
Services Within the State of Florida)

Docket No. 011227-TI

PETITION FOR WAIVER OF SURETY BOND REQUIREMENT

Dominion Telecom, Inc. (“Dominion”), by its attorneys, hereby petitions the Florida Public Service Commission (“Commission”) for waiver of the surety bond requirement for interexchange carriers requiring advance payments and/or deposits from customers for amounts greater than the estimated charges for one month’s interexchange services. Pursuant to Florida Administrative Code Rule 25-24.490(2), “a company may apply to the Commission for a waiver of the bond requirement by demonstrating that it possesses the financial resources and income to provide assurance of continued operation under its certificate over the long term.” Rule 25-24.490(2), F.A.C. As described below and demonstrated in the financial materials attached to its Application in the above-referenced docket as *Exhibit B*, Dominion has more than ample financial resources to start-up and sustain operations over the long term and to assure that all prepaid amounts will be fulfilled and will be reimbursed during the normal course of business. Thus, Dominion believes that grant of this petition for waiver is warranted.

I. Dominion's Increasing Revenue, Capitalization and Financial Commitments Demonstrate that a Waiver Should Be Granted

As described in the Application, Dominion seeks authority to provide facilities-based and resold interexchange services to local and interexchange carriers, wireless, data, applications and Internet service providers and large and medium-sized business customers. As is evident from Dominion's year-end 1999 and 2000 financial statements, the Company has access to ample capital to operate in the State of Florida. For the fiscal year 2000, Dominion had total revenues of \$6.7 million. Further, in March 2001, a transaction with a group of private financial investors, along with private debt placement, will contribute approximately \$516 million in cash to Dominion's telecommunications operations. Finally, Dominion is an affiliate of Dominion Resources, Inc. ("DRI"), a fully integrated gas and electric holding company headquartered in Richmond, Virginia. As of September 2000, DRI had approximately \$29.8 billion in assets.


In addition to having nearly \$516 million in capitalization and financial commitments, Dominion is investing millions in the construction of its state-of-the-art fiber optic network that utilizes SONET and dense wave division ("DWDM") technology for maximum reliability and flexibility. The interexchange and local fiber optic networks will consist mostly of fiber optical cable obtained from other providers through indefeasible rights of use ("IRU") agreements. Some of the fiber facilities may be constructed by Dominion as well. Upon its substantial completion in 2003, Dominion's network is expected to consist of over 9,000 route miles and 800,000 fiber miles, including well over 1,000 route miles and over 14,000 total fiber miles in the State of Florida. The estimated completion date of the Florida segments is December 31, 2001. Such a substantial investment in Florida's telecommunications infrastructure provides additional evidence that Dominion is committed to continued operation under its certificate over the long term.

II. Conclusion

Dominion's increasing revenues, nearly \$516 million in capitalization and financial commitments and substantial investment in its Florida fiber optic network should provide the Commission with adequate assurance that it will be able to launch and sustain operations over the long term. Thus, Dominion respectfully requests that the Commission grant this Petition for Waiver of Surety Bond Requirement.

Respectfully submitted,

DOMINION TELECOM, INC.

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