

ORIGINAL

Timolyn Henry

From: Woods, Vickie [vf1979@att.com]
Sent: Thursday, June 07, 2007 4:05 PM
To: Filings@psc.state.fl.us
Subject: 070126-TL AT&T Florida's letter to FPSC (Cole) re: Status of negotiations
Importance: High
Attachments: 070126-T.pdf

A. Vickie Woods
Legal Secretary to James Meza III and Manuel A. Gurdian
AT&T Florida
150 South Monroe Street
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Tallahassee, Florida 32301
(305) 347-5560
vickie.woods2@bellsouth.com

B. Docket No.: 070126-TL

Petition of AT&T Florida for Relief from Carrier-of-Last Resort Obligations Pursuant to Florida Statutes
§364.025(6)(d) (Avalon)

C. AT&T Florida
on behalf of Manuel A. Gurdian

D. 9 pages total (includes letter, Certificate of Service and Exhibits A and B)

E. BellSouth Telecommunications, Inc. d/b/a AT&T Florida's Letter to FPSC (Cole) re: Status of negotiation
.pdf
<<070126-T.pdf>>

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6/7/2007

DOCUMENT NUMBER-DATE
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FPSC-COMMISSION CLERK

ORIGINAL

Legal Department

Manuel A. Gurdian
Attorney

AT&T Florida
150 South Monroe Street
Room 400
Tallahassee, Florida 32301
(305) 347-5561

June 7, 2007

Ms. Ann Cole
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 070126-TL: Petition of AT&T Florida for Relief from Carrier-of-Last-Resort Obligations Pursuant to Florida Statutes § 364.025(6)(d) (Avalon)

Dear Ms. Cole:

On or about May 8, 2007, AT&T Florida requested that the Florida Public Service Commission ("Commission") defer its consideration of AT&T Florida's Petition in the above-referenced docket until the July 10, 2007 agenda conference. AT&T Florida requested this deferral in order to allow it and the developer of Avalon, Phase II ("the developer") an opportunity to discuss special construction charges for the subject property. The purpose of this letter is to advise the Commission on the status of those negotiations.

As background and as explained in AT&T Florida's Petition, upon information and belief, the developer has entered into a non-exclusive agreement with Connexion Technologies f/k/a Capitol Infrastructure ("Connexion") who in turn contracted with "Smart Resorts a/k/a Beyond Communications ("Beyond") for the provision of voice service at Avalon, Phase II. Moreover, upon information and belief, the developer has entered into an agreement with Connexion who in turn entered into a bulk agreement with Beyond for video and data services to all homes within the development. The developer has thus offered AT&T Florida a "voice-only" easement that would allow AT&T Florida to provide voice service only. AT&T Florida has been informed that the same arrangements with other providers exist in Phase I of the development.

Subsequent to the requested deferral, on or about May 15, 2007, AT&T Florida forwarded correspondence to the developer outlining the estimated costs for the extension/construction of facilities, the projected five times annual exchange revenue at the development, and the amount that AT&T Florida requested that the developer pay prior to AT&T Florida extending its lines to

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FPSC-COMMISSION CLERK

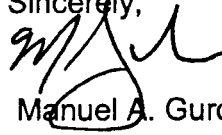
serve the development at the developer's request. A copy of AT&T Florida's May 15, 2007 correspondence to the developer is attached hereto as Exhibit "A".

As indicated in the attached letter, AT&T Florida, in accordance with Commission Rule 25-4.067(3) and its Tariffs, estimates that the cost for the extension/construction for facilities to serve Avalon, Phase II is approximately \$326,819, which includes anticipated labor and material costs as well as overhead cost. The projected five times annual exchange revenue at Avalon, Phase II, using a 20% take rate¹, is approximately \$155,213. The above total estimated cost less the five times annual exchange revenue is \$171,606. Accordingly, pursuant to Commission Rule 25-4.067(3) and its Tariffs, AT&T Florida requested payment of this amount prior to extending its lines to serve Avalon, Phase II at the developer's request.

In follow-up to its May 15, 2007 correspondence, AT&T Florida contacted the developer on May 22, 2007 in order to schedule a meeting to discuss its request for payment. On May 27, 2007, the developer advised that someone from the company would be contacting AT&T Florida to discuss the matter. On May 29, 2007, AT&T Florida contacted the developer and advised that it had not been contacted. On May 31, 2007, AT&T Florida contacted the developer and again advised that it had not been contacted. A copy of the above-referenced May 22, 27, 29 and 31, 2007 emails are attached hereto as Exhibit "B".

To date, AT&T Florida has not received a response from the developer with regard to AT&T Florida's request for payment to deploy facilities to provide voice services only.

Sincerely,



Manuel A. Gurdian

cc: All parties of record
Jerry Hendrix
James Meza III
E. Earl Edenfield, Jr.

¹ AT&T Florida anticipates little or no service orders from residents for telecommunications service in Avalon, Phase II in light of the arrangements the developer has entered into, directly and indirectly, with other providers. This expectation is supported by the fact that only 15.5% of built and occupied residences in Avalon, Phase I (according to the addresses designated as such in the developer's response to Commission Data Request No. VA-1) have ordered service from AT&T Florida.

CERTIFICATE OF SERVICE
Docket No. 070126-TL

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via

(*) Electronic Mail and First Class U. S. Mail this 7th day of June, 2007 to the following:

Patrick Wiggins (*)
Rick Mann (*)
Adam Teitzman (*)
Theresa Tan (*)
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Florida Public Service
Commission
Division of Legal Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
pwiggins@psc.state.fl.us
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Avalon Development, LLC
Attn: Stokes & Griffith Properties, LLC
Registered Agent
John C. Kunkel
4315 Pablo Oaks Court
Suite 1
Jacksonville, FL 32224-9667

Stokes & Griffith Properties, LLC
Attn: Chester E. Stokes, Jr.
Registered Agent
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Attn: RAH of Florida, Inc.
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Denver, Colorado 80237

Registered Agent
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c/o CT Corporation System
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Plantation, Florida 33324

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Attn: Dale A. Lindhorst
5119 Commercial Way
Spring Hill, Florida 34606

Registered Agent
Dale Lindhorst
4393 Mallard Lake Drive
Brooksville, FL 34609

Lexington Homes, Inc.
Attn: Craig S. Gallagher
6115 Guilford Drive
New Port Richey, FL 34655

Registered Agent
Craig J. Fiebe
5623 US Highway 19
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Attn: Martin M. Ryan
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Vice President
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4315 Pablo Oaks Court
Jacksonville, FL 32224



Manuel A. Gurdian



John Stanley
Area Manager
Network-Engineering

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John.Stanley@att.com
www.att.com

May 15, 2007

VIA U.S. MAIL AND FACSIMILE

(813) 929-4020

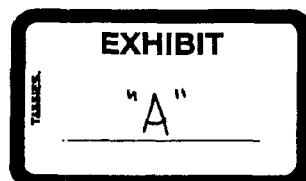
Seth Boots, PE
Project Manager
Stokes Land Group
10329 Cross Creek Blvd
Suite M
Tampa, FL 33647

Re: Avalon, Phase II

Dear Mr. Boots:

This letter is in follow-up to various communications between you and representatives of BellSouth Telecommunications, Inc. d/b/a AT&T Florida regarding the above development, under construction in Hernando County, Florida. Since you have been the primary contact for AT&T Florida's Network Department regarding the development, we are sending this letter to you. We are also copying Ms. Holm with Avalon Development, LLC, since she is the person that submitted a March 9, 2007 letter with the Florida Public Service Commission on behalf of Avalon Development, LLC in the pending Docket No. 070126-TL, Petition of AT&T Florida for Relief from Carrier-of-Last-Resort Obligations Pursuant to Section 364.025(6)(d), Florida Statutes (the "Petition"). The letter from Ms. Holm objects to the petition and thus essentially asks AT&T Florida to place facilities to provide service to residents at the development.

As explained in the Petition, upon information and belief, the developer has entered into a non-exclusive agreement with Connexion Technologies f/k/a Capitol Infrastructure ("Connexion") who in turn contracted with "Smart Resorts a/k/a Beyond Communications" ("Beyond Communications") for the provision of voice service at Avalon Phase II. Moreover, upon information and belief, the developer has entered into an agreement with Connexion who in turn entered into a bulk agreement with Beyond Communications for video and data services to all homes within the development. The developer has thus offered AT&T Florida a





"voice only" easement that would allow AT&T Florida to provide voice service only. AT&T Florida has been informed that the same arrangements with other providers exist in Phase I of the development.

We understand that Phase II will have 476 residences and that the buildout will take place in phases - Phase 2B, 216 lots (first residents expected in September/October 2007); Phase 2A, 28 lots (first expected residents in 2008); and Phase 3, 232 lots (first expected residents in 2008). For the reasons described below, charges will apply to the developer for the placement of those facilities.

Florida Public Service Commission Rule 25-4.067(3), Florida Administrative Code provides that AT&T Florida may recover the costs for extensions of its lines to provide service that exceed five times annual exchange revenue pursuant to its tariffs. See Part A.5.2.1.B of AT&T Florida's General Subscriber Services Tariff.

AT&T Florida anticipates little or no service orders from residents for telecommunications service in Phase II in light of the arrangements the developer has entered into, directly and indirectly, with other providers. This expectation is supported by the fact that only 15.5% percent of built and occupied residences (according to the addresses designated as such in the developer's response to Commission Data Request No. VA-1 in the Petition proceeding) have ordered service from AT&T Florida. Accordingly, using a 20% take rate for AT&T Florida services for Phase II, AT&T Florida has calculated the anticipated five times annual exchange revenue at Phase II to be approximately \$155,213.

The extension/construction cost for facilities to serve Phase II is approximately \$326,819, which includes anticipated labor and material costs as well as overhead cost.

The above total cost amount less the five times annual exchange revenue is \$171,606. Accordingly, pursuant to the Commission Rule, AT&T Florida is requesting payment of this amount prior to extending its lines to serve Phase II.



AT&T Florida is available to discuss the above sum with you at your convenience. We would like to schedule a meeting with you for this purpose. Please contact Tracey Cheston at 352.331.9199.

Sincerely,

A handwritten signature in black ink, appearing to read "John Stanley".

John Stanley

**Cc: Avalon Development, LLC - Attention: Mallory Gayle Holm, VP,
4315 Pablo Oaks Court, Jacksonville, FL 32224**

From: Cheston, Tracey D
Sent: Thursday, May 31, 2007 3:27 PM
To: 'ssbsag@tampabay.rr.com'
Subject: FW: Avalon
Importance: High

Seth,
I hate to bother you again, but I have still not heard anything from anyone at your company regarding the future phases at Avalon. We need to work in a timely manner to get all matters on the table and resolved or I fear we may be putting your service needs at Avalon in jeopardy. If you are not the correct party to address this, can you please provide me with a contact person?

Regards,
Tracey Cheston
Project Manager, AT&T Florida
Tracey.Cheston@att.com
352.331.9199

From: Cheston, Tracey D
Sent: Tuesday, May 29, 2007 8:28 AM
To: 'Seth S. Boots, P.E.'
Cc: Liebman, Sharon
Subject: RE: Avalon

Seth,
Thanks for your response. I have not been contacted by anyone as of yet. Would it be possible for you to pass along to me the correct party who can address this?

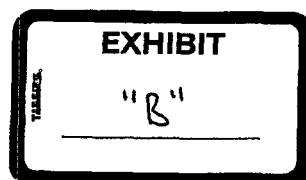
Thanks,
Tracey Cheston

From: Seth S. Boots, P.E. [mailto:ssbsag@tampabay.rr.com]
Sent: Sunday, May 27, 2007 7:08 PM
To: Cheston, Tracey D
Subject: RE: Avalon

Tracey,
I am not the most appropriate person to handle this matter so someone else from my company will be contacting you shortly if they haven't already done so. Thanks.

Seth Boots, P.E.
Project Manager

5/31/2007



Stokes Land Group
10329 Cross Creek Blvd.
Suite M
Tampa, FL 33647
C: (813) 767-1239
P: (813) 973-7210
F: (813) 929-4020
ssbsag@tampabay.rr.com

From: Cheston, Tracey D [mailto:tc0882@att.com]
Sent: Tuesday, May 22, 2007 3:05 PM
To: ssbsag@tampabay.rr.com
Subject: Avalon

Mr. Boots,

I am trying to confirm receipt of the letter I sent to you date May 15, 2007 regarding BellSouth d/b/a AT&T Florida serving Avalon Phase 2 and the remaining phases of this development. I would like to schedule a call with you to discuss. Please contact me at your earliest convenience either by email (Tracey.Cheston@att.com) or at my office (352.331.9199).

Thank-you,
Tracey Cheston

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