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### Continental Cablevision - Southeastern Region

October 6, 1995

#### VIA HAND DELIVERY

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FILE COPY

Ms. Blanca S. Bayo, Director  
Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**RE: DOCKET NO. 950985-TP**

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are an original and fifteen copies of the following: (1) Petition of Continental; (2) Motion for Leave to File Prehearing Statement Out of Time; and (3) Continental's Prehearing Statement. Copies have been served on the parties of record pursuant to the attached certificate of service.

Also enclosed is a copy of Continental's Prehearing Statement on a 3-1/2" diskette in WordPerfect format, version 5.1.

Please acknowledge receipt and filing of the above by date stamping the duplicate copy of this letter and returning the same to me.

Thank you for your assistance in processing this filing.

Yours very truly,

*Donald L. Crosby*  
Donald L. Crosby  
Regulatory Counsel

Enclosures

DLC/cdp

cc: All Parties of Record

RECEIVED & FILED

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7800 Belfort Parkway, Suite 270 • Jacksonville, Florida 32256-6925 (904) 737-8810

Equal Opportunity Employer

FPSC-RECORDS/REPORTING

*Releas*  
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*Motion*  
DOCUMENT NUMBER-DATE  
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- ACK
- AFA
- APP
- CAF
- CMU  *Chase*
- CTR
- EAG
- LEG  *1*
- LIN  *5*
- OPC
- RCH
- SEC  *1*
- WAS
- OTH

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Resolution of Petition(s) to )  
establish nondiscriminatory )  
rates, terms, and conditions for )  
interconnection involving local )  
exchange companies and alternative )  
local exchange companies pursuant )  
to Section 364.162, Florida )  
Statutes )

DOCKET NO.  
950985-TP



PETITION OF CONTINENTAL

Continental Cablevision, Inc., on behalf of its affiliates, Continental Fiber Technologies, Inc., d/b/a AlterNet, and Continental Florida Telecommunications, Inc. (collectively "Continental" or "Petitioner"), pursuant to Rule 25-22.036(7), Florida Administrative Code, Section 364.162, Florida Statutes (1995), and the Order Establishing Procedure ("Order") in this docket, hereby petitions the Florida Public Service Commission ("Commission") to establish economically viable, nondiscriminatory mutual compensation rates for the exchange of telephone traffic between Continental and BellSouth Telecommunications, Inc. ("BellSouth") and to hold a formal administrative proceeding to determine this issue.

Following efforts to negotiate, Continental and BellSouth have not reached agreement on a mutual compensation rate for the exchange of traffic between their networks. Continental will continue to negotiate with BellSouth with the intention of achieving such an agreement. In the event that these negotiations are not successful, Continental intends to participate as a party in this

DOCUMENT NUMBER-DATE

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docket. Accordingly, Continental is filing this Petition for the establishment of mutual compensation rates to be applied to the interconnection of traffic between Continental and BellSouth.

This Petition is being filed for resolution in Docket No. 950985-TP; it should not be construed as a request that the Commission create a different proceeding for the purpose of resolving it. Further, this Petition is not intended to delay the scheduled events in Docket No. 950985-TP in any way.

The Order directs petitioning parties to file their direct testimony and exhibits with their petitions. In satisfaction of this procedural direction, Petitioner hereby adopts the direct testimony of A. R. (Dick) Schleiden filed by the Florida Cable Telecommunications Association ("FCTA") on September 15, 1995. Since that date, the respondent and the intervenors have had an adequate opportunity to file rebuttal testimony and to depose Mr. Schleiden.

The Order further directs petitioning parties to file a proposed list of issues. Petitioner hereby adopts the list of issues agreed to by the parties at Staff's Issue Identification Workshop; however, Petitioner hereby requests that this list be modified by adding Continental to every reference to TCG or Teleport in each issue.

In its prehearing statement being filed today under a motion for leave to file out of time, Petitioner asserts the same positions taken on the issues in the Prehearing

Statement filed by FCTA on September 29, 1995, with the modification that Continental is added to every reference to TCG or Teleport in each issue and each position. FCTA's prehearing statement identifies Dick Schleiden as a member of a panel of witnesses to be sponsored by FCTA. In its prehearing statement, Continental states its intent that, instead of his serving on the FCTA panel, Mr. Schleiden serve only as Petitioner's witness in this proceeding.

In support of its Petition, Continental states as follows:

1. The complete name and address of the Petitioner is:

Continental Cablevision, Inc.  
Continental Fiber Technologies, Inc. d/b/a AlterNet  
Continental Florida Telecommunications, Inc.  
7800 Belfort Parkway, Suite 270  
Jacksonville, Florida 32256-6925  
Phone: (904) 731-8810

2. All notices, pleadings, orders and other documents should be provided to :

Donald L. Crosby  
Regulatory Counsel  
Continental Cablevision, Inc.  
Southeastern Region  
7800 Belfort Parkway, Suite 270  
Jacksonville, Florida 32256-6925  
Phone: (904) 731-8810  
Fax: (904) 281-0342

A. R. (Dick) Schleiden  
General Manager  
Continental Fiber Technologies, Inc. d/b/a AlterNet  
4455 Baymeadows Road  
Jacksonville, Florida 32217  
Phone: (904) 448-3390  
Fax: (904) 731-8699

Bill Wiginton  
Hyperion Telecommunications, Inc.  
Boyce Plaza III  
2570 Boyce Plaza Road  
Pittsburgh, Pennsylvania 15241  
Phone: (412) 221-1888

Fax: (412) 221-6642

3. Continental Fiber Technologies, Inc. d/b/a AlterNet ("AlterNet") was certificated as an alternative access vendor prior to July 1, 1995. Pursuant to Section 364.337(6), Florida Statutes (1995), AlterNet furnished written notice to the Commission of its wish to provide alternative local exchange telecommunications service, effective January 1, 1996. The Commission recently acknowledged the authority of AlterNet to operate as an alternative local exchange telecommunications company. In order to initiate service as such a company, Petitioner immediately requires technically feasible and economically viable interconnection arrangements with BellSouth. Petitioner's ability to provide effective alternative local exchange telecommunications services is largely dependent upon completing calls between its customers and those of BellSouth at reasonable rates covered by a reciprocal compensation arrangement.

4. In response to the Order's direction that petitioners file a clear description of the provisions that have been agreed upon, Petitioner points out that no provision has yet been successfully negotiated. However, Petitioner shares the hope of the original petitioning party in this proceeding, Teleport Communications Group Inc. ("Teleport"), that all of the technical and administrative interconnection issues described in its petition can be successfully negotiated with BellSouth. Accordingly,

Continental hereby adopts the list of provisions clearly described in the Teleport petition as those upon which Continental and BellSouth are approaching agreement.

5. With regard to the Order's direction that petitioners file a clear description of the issues that are unresolved, Continental states that the rate structure and rate level of an economically viable, reciprocal compensation arrangement are the primary issues of material fact that remain in dispute. Under such an arrangement, Continental and BellSouth would compensate each other for the exchange of traffic flowing between their respective networks. To permit Petitioner to compete with BellSouth by offering services to both residential and business customers, the Commission must set a rate level and a rate structure for interconnection that will allow Continental to offer such services economically. Above, Petitioner adopts the list of issues agreed to by the parties at Staff's Issue Identification Workshop with the modification of adding Continental to every reference to TCG or Teleport in each issue. Petitioner believes at present that this list, as modified, contains all of the unresolved issues between Continental and BellSouth. However, Petitioner reserves the right, pursuant to the Order, to raise any additional issue and does not waive its right to do so.

6. To establish prices, terms and conditions for interconnection, Continental initiated negotiations with BellSouth by letter sent in June of 1995. During the interim, meetings and telephone calls between

representatives of Continental and BellSouth have been held for the purpose of pursuing agreement. Despite these efforts, agreement has not been reached.

7. Petitioner urges the Commission to reject the positions taken by BellSouth witnesses who have filed testimony in this proceeding on the rate structure and rate level for the exchange of traffic between its network and that of Teleport. Continental submits that Commission approval of such positions would lead to a rate that violates Section 364.162(5), Florida Statutes (1995), in that such a rate would be "set so high that it would serve as a barrier to competition." The switched access charge proposal of these witnesses would impede the development of competitive markets for local exchange services. Continental requests that the Commission establish a mutual compensation arrangement at a rate structure and a rate level that will ensure full and robust competition.

8. The ultimate facts and law entitling Continental to relief include, but are not limited to:

a. Section 364.162(2), Florida Statutes (1995), authorizes a qualified party who has negotiated for mutually acceptable prices, terms and conditions of interconnection to petition the Commission in the event that such negotiations are unsuccessful. As shown by the facts set out above, Continental is such a qualified party and has been unsuccessful in reaching agreement with BellSouth on these matters. Pursuant to that authority, Continental is filing this Petition.

b. Petitioner's interests are substantially affected by BellSouth's demand for a rate structure and a rate level for interconnection that would thwart Continental's efforts to compete with BellSouth in the local exchange service market on an economically viable basis.

c. Petitioner seeks either a "bill and keep" arrangement under which no party provides compensation to the other for terminating traffic--in the manner now in place between incumbent local exchange companies--or a compensation arrangement based on cost in accordance with the requirement of Section 364.162(4), Florida Statutes (1995), that "the charge is sufficient to cover the cost of furnishing interconnection."

9. Based on the foregoing, Continental requests the Commission to establish either a "bill and keep" arrangement or an economically viable, mutual compensation arrangement based on cost for the exchange of traffic between the networks of Continental and BellSouth that will lead to full and robust competition between these parties and to grant any other relief deemed necessary by the Commission.



Respectfully submitted,  
CONTINENTAL CABLEVISION, INC.

*Donald L. Crosby by power of attorney*  
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Dated: October 6, 1995