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July 21, 1998

Ms. Blanca Bayo
Director, Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

RE: Docket No. 97-1056-TX

Dear Ms. Bayo:

Enclosed for filing on behalf of BellSouth BSE, Inc. is the original and fifteen copies of a Request for Official Recognition with regard to the above referenced docket.

Thank you for your assistance. If you have any questions or need further assistance please contact me at (850) 567-4878.

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Sincerely,

Mark Herron

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for certificate to provide alternative local exchange telecommunications service by BellSouth BSE, Inc.

Docket No. 971056-TX

Filed: July 21, 1998

/

REQUEST FOR OFFICIAL RECOGNITION

Pursuant to Section 120.569, Florida Statutes, BellSouth BSE, Inc., through undersigned counsel, requests the Commission to take official recognition of the Opinion entered by the California Public Utilities Commission in Rulemaking Case No. 95-04-043 and in Investigation Case No. 95-04-044, Decision 98-07-034 (July 2, 1998). In the Opinion, the California Public Utilities Commission granted the application of Citizens Long Distance Company to provide resold local exchange service in the service area of Citizens Telecommunications Company of California. Both companies are owned by the same parent, Citizens Utility Company, but each company is organized, and operates as a separate subsidiary.

A copy of the Opinion is attached.

WHEREFORE, BellSouth BSE, Inc. respectfully requests the Commission to take official recognition of the attached Opinion.

Respectfully Submitted,

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was furnished to the following parties by hand delivery or U.S. Mail this 21st day of July, 1998:

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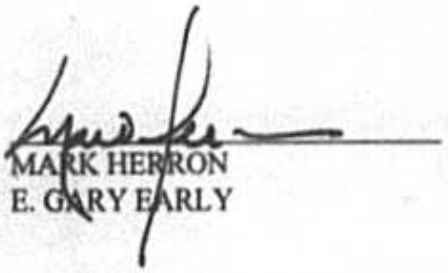

MARK HERRON
E. GARY EARLY

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the Commission's Own Motion into Competition for Local Exchange Service.	Rulemaking 95-04-043 (Filed April 26, 1995)
Order Instituting Investigation on the Commission's Own Motion into Competition for Local Exchange Service.	Investigation 95-04-044 (Filed April 26, 1995)

OPINION

By today's decision, we approve the petition of Citizens Telecommunications Company (U 5429 C) doing business as Citizens Long Distance Company (CTC-LD) for expansion of its current certificate of public convenience and necessity (CPCN) seeking authority to provide resold competitive local exchange services in the service territory of its affiliate, Citizens Telecommunications Company of California, Inc. (CTC-California). Both companies are owned by the same parent (Citizens Utilities Company), but each company is organized, and operates, as a separate subsidiary.

Citizens Utilities Company, a Delaware corporation, provides telecommunications, natural gas, electric, water, and wastewater treatment services to approximately 1.7 million customers in 20 states. Citizens Utilities Company (Citizens), through its various telecommunications subsidiaries, provides local exchange services in 13 states, long distance services in over 40 states, and competitive local services in 4 states. CTC-California is an incumbent local exchange carrier (ILEC) whose territory was opened to resale competition on April 1, 1998, pursuant to Decision (D.) 97-09-115. CTC-LD is currently

authorized to provide interLocal Access and Transport Area (LATA) and intraLATA services within California and both resold and facilities-based competitive local exchange telecommunications services within the service areas of Pacific Bell (Pacific) and GTE California Incorporated (GTEC).[1] Pursuant to D.97-09-115, CTC-LD seeks to expand its authority to resell the services of CTC-California. If granted this additional authority, CTC-LD will continue to operate as a separate entity from CTC-California.

Background

We initially established rules for resale and facilities-based competitive local carriers (CLCs) to be granted CPCNs in D.95-07-054. Under those procedures, we processed a group of CLC candidates that filed petitions for CPCN approval by September 1, 1995, and granted authority effective January 1, 1996, for qualifying CLCs to provide facilities-based competitive local exchange service within the territories of incumbents Pacific and GTEC. Since January 1, 1996, we have continued to review and approve individual CPCN applications and petitions for a number of CLCs seeking authority to offer facilities- or resale-based local exchange service within the service territories of Pacific and GTEC.[2]

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[1] In D.94-11-070, CTC-LD was granted a CPCN to provide statewide interLATA services. Decision 95-09-001 expanded CTC-LD's authority to provide intraLATA services. Decision 97-05-082 expanded CTC-LD's authority to operate as a reseller and facilities-based provider of competitive local exchange telecommunications services.

[2] In D.96-12-020, we adopted a schedule for the quarterly processing of facilities-based CLC petitions covering the Pacific and GTEC territories on a consolidated basis to correspond to the processing of the Mitigated Negative Declaration required under the California Environmental Quality Act (CEQA).

On September 24, 1997, we adopted D.97-09-115 in which we extended the coverage of our adopted rules for local exchange competition to include the service territories of California's two midsized local exchange carriers (MSLECs), Roseville Telephone Company (RTC), and CTC. In that decision, we also authorized candidates seeking CLC CPCN authority within the MSLECs' territories to immediately begin making filings following the applicable entry rules previously adopted in D.95-07-054 and subsequent decisions. Specifically, requests for CLC CPCN authority were to be filed in the form of a petition docketed in Investigation (I.) 95-04-044, following the same rules and procedures previously adopted for filings to compete within the Pacific and GTEC service territories.

We established two separate groups of consolidated petitions: (1) those seeking facilities-based authority (a CLC could also request authority to offer resale-based local exchange service as part of its facilities-based petition) and (2) those seeking only resale authority. Petitions in the first group filed with the Commission's Docket Office by November 1, 1997, were to be processed and approved by February 1, 1998. Those CLC petitions for facilities-based authority filed after November 1, 1997, were to be included in subsequent CLC groups subject to consideration during future quarterly reviews in accordance with the procedure adopted in D.96-12-020.

In D.98-01-055, we approved CPCNs for those CLC petitioners which filed petitions by November 1, 1997, for authority to provide both resale and facilities-based service within the MSLECs' territories and satisfied all applicable rules for certification as established in Rulemaking (R.) 95-04-043/I.95-04-044. [3] The

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[3] The CPCN application previously filed by Electric Lightwave, Inc.(ELI) on April 30, 1997, was converted into a petition to be included within this first group of petitioners

Footnote continued on next page

petitioners identified in Appendix B of D.98-01-055 were authorized to begin facilities-based service on or after February 1, 1998, and resale service on or after April 1, 1998, upon the filing of tariffs in accordance with the terms and conditions set forth in the Ordering Paragraphs of that decision.

In the case of those additional CLC candidates that filed by December 1, 1997 , seeking resale authority exclusively, the CPCN requests were also to be made as petitions docketed in I.95-04-044. We established the deadline of December 1, 1997, for these filings in D.97-09-115. They were to be processed with qualifying petitioners to be granted authority to offer resale beginning on or after April 1, 1998. Any requests from CLCs for exclusive resale-based authority only filed after December 1, 1997, shall be docketed as separate applications. Since CTC-LD was the only petitioner to file on December 1, 1997, for resale authority exclusively, this decision addresses this petition only.

As we stated in D.97-09-115, until the time that tariffed wholesale discount rates are adopted for RTC and CTC-California, individual CLCs may enter into negotiations with each of the MSLECs to seek agreement on an interim wholesale discount rate. Disputes over the terms of resale arrangements may be submitted to the Commission for arbitration pursuant to the provisions of Section 252(b)(1) of the Telecommunication Act of 1996 and Commission Resolution ALJ-174. Any negotiated agreements containing interim discount rates are subject to revision once tariffed wholesale discount rates are adopted in the OANAD proceeding.

Protest of AT&T

AT&T Communications of California, Inc. (AT&T) filed a Limited Protest to the Petition of CTC-LD. AT&T does not oppose the expansion of CTC-LD's

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seeking facilities-based CLC CPCN authority within the the MSLECs' territory. ELI's plan to serve within RTC's territory was approved. ELI is an affiliate of CTC.

authority to resell local service within the service territory of its affiliate, Citizens, but does, oppose granting CTC-LD nondominant status when operating in CTC-California's service territory. AT&T claims that, without a price floor requirement, Citizens could engage in anti-competitive pricing and cross-subsidization by allowing CTC-LD to price its service at a loss, while ensuring the financial success of Citizens' operation as a whole.

AT&T recommends that CTC-LD, when operating in CTC-California's service territory, should be treated as a dominant carrier, and held to the same tariff filing requirements as CTC-California, as well as requirements for cost support and price floors. AT&T claims that, absent such restrictions, CTC-LD will have the incentive, as well as the wherewithal, to stifle local exchange competition through its affiliate relationship with CTC-California which holds a monopoly in the provision of local service within its service territory. AT&T argues that CTC-California's monopoly control over local facilities and recognized brand identity confers significant market power on its affiliate, CTC-LD. AT&T believes this issue is identical to that raised in Application (A.) 96-12-047 in which GTE Card Services requested authority to offer local exchange service in its affiliate, GTEC's service territory. By D.97-11-028, the Commission ordered the assigned Administrative Law Judge (ALJ) to request comments on that portion of the application. AT&T believes that this petition raises identical issues to the GTE Card Services application, and the Commission may wish to consolidate the two proceedings.

GTE Card Services subsequently filed a motion to withdraw the remaining portion of the instant application on December 17, 1997. The motion to withdraw the application was granted by D.98-02-028.

CTC-LD filed a reply to the Protest on January 7, 1998. CTC-LD argues that AT&T's Protest is without precedent and is, in fact, contrary to the

Commission's holdings in D.96-02-072. In that decision, approving authority for 59 carriers to provide resold local exchange services within Pacific's and GTEC's territories, the Commission granted to affiliate, GTE Card Services, authority to provide resold local exchange carrier services in both Pacific's and GTEC's service territories under the same terms and conditions as all other CLCs. CTC-LD claims it would be inconsistent for the Commission to now require CTC-LD as a CLC be subject to tariffing, cost support, and price floor requirements appropriate to ILECs while allowing GTEC's competitive affiliate to provide the same services subject to the same terms and conditions for all CLCs.

Discussion

We find no basis to grant AT&T's protest. It would be inconsistent with our prior practice to subject CTC-LD to the same pricing restrictions as a dominant carrier. Contrary to AT&T's claim, the request of CTC-LD for CLC reseller authority is not analogous to the request of GTE Card Services in A.96-12-047. That latter request specifically involved facilities-based local service by GTE Card Services, a CLC affiliate, within the same service territory as GTEC, its ILEC counterpart. The ALJ in A.96-12-047 was directed to take comments on whether and how GTE Card Services should be permitted to compete with GTEC on a facilities basis in GTEC's local exchange territory. GTE Card Services subsequently filed a motion to withdraw its request for facilities-based CLC authority within GTEC's territory, and the application was closed by D.98-02-028.

The pending request of CTC-LD merely involves authority to engage in resale within the service territory of its ILEC affiliate, CTC-California. The CTC-LD request is more closely analogous to the petition of GTE Card Services for authority to engage in resale of local exchange services within the service territory of its affiliate, GTEC. This authority was granted without protest in D.96-02-072. In approving GTE Card Services' petition, we treated it as a

nondominant carrier subject to the same terms and conditions as other CLCs. Unlike facilities-based CLCs, resellers own no facilities, but are constrained by the wholesale rates of the underlying facilities-based ILEC, which are based on the ILEC's retail rates, less avoided retail cost. In granting GTE Card Services CLC reseller authority within GTEC's local exchange territory in D.96-02-072, we found no evidence of market power sufficient to warrant imposing pricing restrictions similar to those imposed on its ILEC affiliate, GTEC. Likewise, no basis has been shown to justify treating CTC-LD in a more restrictive manner than we have treated an affiliate of GTEC in authorizing the resale of local exchange services, except as noted below.

We are also unpersuaded by AT&T's argument that the restrictions on joint marketing between CTC-LD and CTC-California imposed in D.94-11-070 indicate that CTC-LD should be regulated as a dominant carrier in the context of reselling local exchange service. In D.94-11-070 (A.94-03-029), the Commission granted CTC-LD authority to provide long distance service subject to the terms of a Settlement Agreement which set forth various joint marketing restrictions of long distance and local exchange services between CTC-LD and CTC-California.

We note that May 5, 1997, CTC-LD filed a petition to modify the Agreement by adopting the new stipulation on marketing restrictions.[4] Due to the Commission's less restrictive treatment of GTEC as to joint marketing arrangements with its long distance affiliate, GTE Card Services,[5] the Stipulating Parties agreed to modify the Agreement adopted in D.94-11-070 to remove the

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[4] On June 12, 1998, CTC filed a motion to withdraw the Petition to modify. An Order of Dismissal was granted on June 23, 1998.

[5] While GTEC is a LEC like CTC-California, it does not compete with its unregulated affiliate GTE Card Services in the intraLATA toll market.

joint marketing restrictions as long as CTC-LD agreed to the same competitively neutral marketing safeguard procedures included in the GTEC IntraLATA Equal Access Settlement Agreement adopted in D.96-12-07 . There are some differences from the GTEC procedures because petitioner voluntarily opened up its service territory to full 2-PIC intraLATA equal access in 1995. Therefore, there are no customer notification and similar implementation requirements in the modified agreement. The petition was not contested.

The ALJ assigned to review the proposed modification prepared a draft order which was placed on the Commission's September 3, 1997 agenda. Because draft decisions concerning marketing restrictions on facilities-based CLC affiliates of Pacific and GTEC were on the same agenda, the matter was held when they were held. Eventually, in light of concerns about cross-subsidization and joint marketing which were raised in the applications of the affiliate's of Pacific and GTEC, the draft decision on the CTC-LD stipulation was withdrawn from the Commission's agenda in order to obtain a more complete record. The ALJ assigned in A.94-03-029 issued a ruling in February,1998, soliciting comments regarding any potential anticompetitive impacts of modifying the joint marketing restrictions pursuant to the Stipulating Parties' proposed D.94-11-070. Therefore, CTC-LD remains subject to the joint marketing restrictions which are currently in place.

We find no reason to impose dominant carrier regulation on CTC-LD's resale of local exchange services as a CLC, irrespective of whatever disposition is reached concerning joint marketing restrictions for CTC-LD and CTC-California. It is consistent with our CLC CPCN policies to treat CTC-LD as being subject to the same pricing rules for resold local exchange services as are other CLC resellers. However, until we determine the proper wholesale discount that will apply to CTC-California's retail services, we will not permit CTC-LC to purchase

those services at a discount. We do not believe that two affiliates can negotiate at arms' length for a wholesale discount, as called for in D.97-09-115.

Proposed Services to be Offered

CTC-LD proposes to offer local exchange services on resale basis including: business measured rate service (local area and private branch exchange [PBX] services); local usage (Local and Zone Usage Measured); custom calling features (including call forwarding, call waiting, speed calling, busy number redial, information services (900 number) blocking, caller ID (with selective blocking); centrex; private line services; operator services; directory assistance; and Integrated Service Digital Network Services. In addition, CTC-LD will offer customers various combinations or packages of these services.

Review of Petition

The petition of CTC-LD has been reviewed for compliance with the certification-and-entry rules (rules) adopted in Appendices A and B of D.95-07-054 and subsequent decisions in R.95-04-043/I.95-04-044. The rules are intended to protect the public against unqualified or unscrupulous carriers, while also encouraging and easing the entry of CLC providers to promote the rapid growth of competition.

CTC-LD had to demonstrate that it possessed the requisite managerial qualifications, technical competence, and financial resources to provide facilities-based local exchange service. Petitioners were also required to submit proposed tariffs which conform to the consumer protection rules set forth in Appendix B of D.95-07-054. For instance, as prescribed in Rule 4.B.(1), prospective CLC resellers must show that they possess a minimum of $25,000 in cash or cash-equivalent resources, as defined in the rule.

Based upon our review, we conclude that CTC-LD has satisfactorily complied with our certification requirements for entry, including the consumer protection rules set forth in D.95-07-054.

In D.94-11-070, D.95-09-001, and D.97-05-082, we determined that CTC-LD had the necessary managerial and technical expertise necessary to provide intrastate interLATA and intraLATA telecommunications services and to operate as a reseller and facilities-based provider of competitive local exchange telecommunications services. The names and biographies of the top management of CTC-LD are provided in Exhibit A of the Petition. We conclude that CTC-LD's key employees possess the requisite management and technical expertise in operating a telecommunications corporation. Accordingly, we grant CTC-LD authority to offer resold local exchange services within the territory of CTC-California effective immediately.

Finding of Facts

1. CTC-LD filed a petition for competitive local exchange CPCN authority as a reseller within the territory of its affiliate, CTC-California, an incumbent local exchange carrier.

2. A protest was filed by AT&T, seeking to have CTC-LD made subject to the same pricing and tariffing requirements as a dominant ILEC.

3. It is consistent with our prior CPCN authorization in D.96-02-072 to grant CTC-LD authority to engage in resale within CTC-California's service territory and to be subject to the same pricing rules as other CLCs.

4. As long as CTC-LD merely acts as a reseller of local exchange service within the CLC-California service territory, it will not be in a position to impede competition, except as provided in FOF5.

5. As affiliates, CTC-LD and CTC-California cannot negotiate at arms' length the wholesale discounts for those services subject to resale as called for in D.97-09-115.

6. A hearing is not required.

7. By prior Commission decisions, we authorized competition in providing local exchange telecommunications service within the service territories of Pacific, GTEC, RTC, and CTC-California for carriers meeting specified criteria.

8. CTC-LD has demonstrated that it has a minimum of $25,000 in cash or cash equivalent reasonably liquid and readily available to meet their start-up expenses.

9. CTC-LD's technical experience is demonstrated by supporting documentation which provides summary biographies of their key management personnel.

10. CTC-LD submitted a draft of its initial tariff which complies with the requirements established by the Commission, including prohibitions on unreasonable deposit requirements.

11. By D.97-06-107, Petitioners or applicants for CLC authority are exempt from Rule 18(b).

12. Exemption from the provisions of PU Code §§ 816-830 has been granted to other nondominant carriers. (*See*, e.g., D.86-10-007 and D.88-12-076.)

13. The transfer or encumbrance of property of nondominant carriers has been exempted from the requirements of PU Code § 851 whenever such transfer or encumbrance serves to secure debt. (*See* D.85-11-044.)

Conclusions of Law

1. CTC-LD has the financial ability to provide the proposed services, and has made a reasonable showing of technical expertise in telecommunications.

2. Public convenience and necessity require the competitive local exchange services to be offered by CTC-LD.

3. CTC-LD is subject to:

   a. The current 2.4% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the Universal Lifeline Telephone Service (PU Code § 879; Resolution T-16098, December 16, 1997);

   b. The current 0.25% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Relay Service and communications Devices Fund (PU Code § 2881; Resolution T-16090, December 16, 1997);

   c. The user fee provided in PU Code §§ 431-435, which is 0.11% of gross intrastate revenue for the 1998-1999 fiscal year (Resolution M-4789);

   d. The current surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-A (PU Code § 739.30; D.96-10-066, pp. 3-4, App. B, Rule 1.C; Resolution T-16117 at 0.0% for 1998, effective February 19, 1998);

   e. The current 2.87% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California High Cost Fund-B (D.96-10-066, p. 191, App. B, Rule 6.F.); and

   f. The current 0.41% surcharge applicable to all intrastate services except for those excluded by D.94-09-065, as modified by D.95-02-050, to fund the California Teleconnect Fund (D.96-10-066, p. 88, App. B, Rule 8.G.).

4. CTC-LD is exempt from Rule 18(b).

5. CTC-LD is exempt from PU Code §§ 816-830.

6. CTC-LD is exempt from PU Code § 851 when the transfer or encumbrance serves to secure debt.

7. The Petitioners should be granted CPCNs to the extent set forth in the order below.

8. Any CLC which does not comply with our rules for local exchange competition adopted in R.95-04-043 shall be subject to sanctions including, but not limited to, revocation of its CLC certificate.

9. Because of the public interest in competitive local exchange services, the following order should be effective immediately.

10. The Protest filed by AT&T should be denied since there is no basis to justify imposing more stringent pricing and tariffing requirements on CTC-LD compared with other CLC resellers.

11. CTC-California should not be allowed to sell CTC-LD wholesale services at a discount off the retail tariffs or those same services until the Commission has determined the proper wholesale discount applicable to CTC-California.

O R D E R

IT IS ORDERED that:

1. A certificate of public convenience and necessity previously granted to Citizens Telephone Company-Long Distance (CTC-LD) shall be expanded to permit it to operate as a reseller of competitive local exchange telecommunications services within the service territory of Citizens Telephone Company-California (CTC-California) contingent on compliance with the terms of this order.

2. CTC-LD shall purchase wholesale services from CTC-California at those services' retail rates, without a discount. This ordering paragraph will expire

upon the Commission's adoption of a wholesale discount applicable to CTC-California's retail services subject to resale requirements.

3. CTC-LD shall file a written acceptance of the cer ficate granted in this proceeding.

4. a. The CTC-LD is authorized to file with this Commission tariff schedules for the provision of competitive local exchange. CTC-LD may not offer these services until tariffs are on file. Petitioners' initial filing shall be made in accordance with General Order (GO) 96-A, excluding Sections IV, V, and VI, and shall be effective not less than one day after approval by the Telecommunications Division.

b. CTC-LD is a competitive local carrier (CLC). The effectiveness of each of its future tariffs is subject to the schedules set forth in Decision (D.) 95-07-054, Appendix A, § 4E.

> "E. CLCs shall be subject to the following tariff and contract-filing, revision and service-pricing standards:
>
> "(1) Uniform rate reductions for existing tariff services shall become effective on five (5) working days' notice to the Commission. Customer notification is not required for rate decreases.
>
> "(2) Uniform major rate increases for ex sting tariff services shall become effective on thirty (30) days' notice to the Commission, and shall require bill inserts, or a message on the bill itself, or first class mail not ce to customers at least 30 days in advance of the pending rate increase.
>
> "(3) Uniform minor rate increases, as def ned in D.95-07-054, shall become effective on not less than five (5) working days' notice to the Commission. Customer notification is not required for such minor rate increases.
>
> "(4) Advice letter filing for new services and for all other types of tariff revisions, except changes in text not affecting rates or relocations of text in the tariff schedules, shall become effective on forty (40) days' notice to the Commission.

"(5) Advice letter filings revising the text or location of text material which do not result in an increase in any rate or charge shall become effective on not less than five (5) days' notice to the Commission.

"(6) Contracts shall be subject to GO 96-A rules for NDIECs, except interconnection contracts.

"(7) CLCs shall file tariffs in accordance with PU Code Section 876."

5. CTC-LD may deviate from the following provisions of GO 96-A: (a) paragraph II.C.(1)(b), which requires consecutive sheet numbering and prohibits the reuse of sheet numbers, and (b) paragraph II.C.(4), which requires that "a separate sheet or series of sheets should be used for each rule." Tariff filings incorporating these deviations shall be subject to the approval of the Commission's Telecommunications Division. Tariff filings shall reflect all fees and surcharges to which Petitioners are subject, as described in Conclusion of Law 3. Petitioners are also exempt from GO 96-A Section II.G.(1) and (2) which require service of advice letters on competing and adjacent utilities, unless such utilities have specifically requested such service.

6. CTC-LD shall file as part of its initial tariffs, after the effective date of this order and consistent with Ordering Paragraph 3, a service area map.

7. Prior to initiating service, CTC-LD shall provide the Commission's Consumer Services Division with the Petitioners' designated contact persons for purposes of resolving consumer complaints and the corresponding telephone numbers. This information shall be updated if the names or telephone numbers change or at least annually.

8. CTC-LD shall notify this Commission in writing of the date local exchange resale service is first rendered to the public within five days after service begins.

9. CTC-LD shall keep its books and records in accordance with the Uniform System of Accounts specified in Title 47, Code of Federal Re ulations, Part 32.

10. CTC-LD shall each file an annual report, in compliance with GO 104-A, on a calendar-year basis using the information-request form developed by the Commission Staff and contained in Appendix A.

11. CTC-LD shall ensure that its employees comply with the provisions of Public Utilities (PU) Code § 2889.5 regarding solicitation of customers.

12. The certificate granted and the authority to render service under the rates, charges, and rules authorized will expire if not exercised within 12 months after the effective date of this order.

13. The corporate identification number previously assigned to CTC-LD, shall be included in the caption of all original filings with this Commission, and in the titles of other pleadings filed in existing cases.

14. Within 60 days of the effective date of this order, CTC-LD shall comply with PU Code § 708, Employee Identification Cards, reflecting its authority, and notify the Director of the Telecommunications Division in writing of its compliance.

15. CTC-LD is exempted from the provisions of PU Code §§ 816-830.

16. CTC-LD is exempted from PU Code § 851 for the transfer or encumbrance of property, whenever such transfer or encumbrance serves to secure debt.

17. If CTC-LD is 90 days or more late in filing an annual report or in remitting the fees listed in Conclusion of Law 4, Telecommunications Division shall prepare for Commission consideration a resolution that revokes the Petitioner's CPCN, unless CTC-LD has received written permission from Telecommunications Division to file or remit late.

18. Petitioner shall comply with the consumer protection set forth in Appendix B of D.95-07-054.

19. Petitioner shall comply with the Commission's rules for local exchange competition in California that are set forth in Appendix C of D.95-12-056, including the requirement that CLCs shall place customer de osits in a protected, segregated, interest-bearing escrow account subject to Comm ssion oversight.

20. Petitioner shall comply with the customer notification and education rules adopted in D.96-04-049 regarding the passage of calling party number.

21. The petition of CTC-LD is granted only as set forth above.

22. The limited Protest of AT&T is denied.

This order is effective today.

Dated July 2, 1998, at San Francisco, California.

RICHARD A. BILAS
President
P. GREGORY CONLON
JESSIE J. KNIGHT, JR.
HENRY M. DUQUE
JOSIAH L. NEEPER
Commissioners

APPENDIX A
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TO: ALL COMPETITIVE LOCAL CARRIERS AND INTEREXCHANGE TELEPHONE UTILITIES

Article 5 of the Public Utilities Code grants authority to the California Public Utilities Commission to require all public utilities doing business in California to file reports as specified by the Commission on the utilities' California operations.

A specific annual report form has not yet been prescribed for the California interexchange telephone utilities. However, you are hereby directed to submit an original and two copies of the information requested in Attachment A no later than March 31st of the year following the calendar year for which the annual report is submitted.

Address your report to:

California Public Utilities Commission
Auditing and Compliance Branch, Room 3251
505 Van Ness Avenue
San Francisco, CA 94102-3298

Failure to file this information on time may result in a penalty as provided for in §§ 2107 and 2108 of the Public Utilities Code.

If you have any question concerning this matter please call (415) 703-1961.

Information Requested of California Competitive Local Carriers and Interexchange Telephone Utilities.

To be filed with the California Public Utilities Commission, 505 Van Ness Avenue, Room 3251, San Francisco, CA 94102-3298, no later than March 31st of the year following the calendar year for which the annual report is submitted.

1. Exact legal name and U # of reporting utility.
2. Address.
3. Name, title, address, and telephone number of the person to be contacted concerning the reported information.
4. Name and title of the officer having custody of the general books of account and the address of the office where such books are kept.
5. Type of organization (e.g., corporation, partnership, sole proprietorship, etc.).

   If incorporated, specify:

   a. Date of filing articles of incorporation with the Secretary of State.
   b. State in which incorporated.

6. Commission decision number granting operating authority and the date of that decision.
7. Date operations were begun.
8. Description of other business activities in which the utility is engaged.
9. A list of all affiliated companies and their relationship to the utility. State if affiliate is a:

   a. Regulated public utility.
   b. Publicly held corporation.

10. Balance sheet as of December 31st of the year for which information is submitted.

11. Income statement for California operations for the calendar year for which information is submitted.

(END OF APPENDIX A)