



ORIGINAL

**\*\* FLORIDA PUBLIC SERVICE COMMISSION \*\***

**DIVISION OF COMMUNICATIONS**  
**BUREAU OF SERVICE EVALUATION**

000055-TX

**APPLICATION FORM**  
for  
**AUTHORITY TO PROVIDE (ALEC) ALTERNATIVE LOCAL EXCHANGE SERVICE**  
**WITHIN THE STATE OF FLORIDA**

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Instructions

- ◆ This form is used as an application for an original certificate and for approval of the assignment or transfer of an existing certificate. In the case of an assignment or transfer, the information provided shall be for the assignee or transferee (See Appendix A).
- ◆ Print or type all responses to each item requested in the application and appendices. If an item is not applicable, please explain why.
- ◆ Use a separate sheet for each answer which will not fit the allotted space.
- ◆ Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$250.00 to:

**Florida Public Service Commission**  
**Division of Records and Reporting**  
**2540 Shumard Oak Blvd.**  
**Tallahassee, Florida 32399-0850**  
**(850) 413-6770**

- ◆ If you have questions about completing the form, contact:

**Florida Public Service Commission**  
**Division of Communications**  
**Bureau of Certification and Evaluation**  
**2540 Shumard Oak Blvd.**  
**Tallahassee, Florida 32399-0850**  
**(850) 413-6600**

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## APPLICATION

1. This is an application for  (check one):

**Original certificate** (new company).

**Approval of transfer of existing certificate:**

Example, a non-certificated company purchases an existing company and desires to retain the original certificate of authority.

**Approval of assignment of existing certificate:** Example, a certificated company purchases an existing company and desires to retain the certificate of authority of that company.

**Approval of transfer of control:** Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of company:

Southern Telecom, Inc.

3. Name under which the applicant will do business (fictitious name, etc.):

Southern Telecom of America, Inc.

4. Official mailing address (including street name & number, post office box, city, state, zip code):

Southern Telecom, Inc.

241 Ralph McGill Blvd., NE

BIN ~~10190~~ 10198

*verified by Atty. W. Horton that should be 10198*

Atlanta, GA 30308

5. Florida address (including street name & number, post office box, city, state, zip code):

Southern Telecom, Inc., c/o Messer, Caparello & Self, P.A.,

215 South Monroe Street, Suite 701, Tallahassee, FL 32302-1876

\_\_\_\_\_  
\_\_\_\_\_

6. Structure of organization:

- Individual       Corporation  
 Foreign Corporation    Foreign Partnership  
 General Partnership    Limited Partnership  
  
 Other \_\_\_\_\_

7. **If individual**, provide:

Name: Does not apply.

Title: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Internet E-Mail Address: \_\_\_\_\_

Internet Website Address: \_\_\_\_\_

8. **If incorporated in Florida**, provide proof of authority to operate in Florida:

- (a) **The Florida Secretary of State corporate registration number:**

Does not apply

9. **If foreign corporation**, provide proof of authority to operate in Florida:

- (a) **The Florida Secretary of State corporate registration number:**

F99000001546

10. **If using fictitious name-d/b/a**, provide proof of compliance with fictitious name statute (Chapter 865.09, FS) to operate in Florida:

(a) **The Florida Secretary of State fictitious name registration number:**  
F99000001546

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11. **If a limited liability partnership**, provide proof of registration to operate in Florida:

(a) **The Florida Secretary of State registration number:**  
Does not apply.

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12. **If a partnership**, provide name, title and address of all partners and a copy of the partnership agreement.

**Name:** Does not apply.

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**Title:**

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**Address:**

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**City/State/Zip:**

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**Telephone No.:** \_\_\_\_\_ **Fax No.:** \_\_\_\_\_

**Internet E-Mail Address:**

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**Internet Website Address:**

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13. **If a foreign limited partnership**, provide proof of compliance with the foreign limited partnership statute (Chapter 620.169, FS), if applicable.

(a) **The Florida registration number:** Does not apply.

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14. Provide **F.E. I. Number**(if applicable): Does not apply.

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15. Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

(a) adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. Provide explanation.

None

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(b) an officer, director, partner or stockholder in any other Florida certificated telephone company. If yes, give name of company and relationship. If no longer associated with company, give reason why not.

None

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16. Who will serve as liaison to the Commission with regard to the following?

(a) The application:

**Name:** Norman H. Horton Jr. c/o Messer, Caparello & Self, P.A.

**Title:** Attorney

**Address:** 215 South Monroe Street, Suite 701, P. O. Box 1876

**City/State/Zip:** Tallahassee, Florida 32302-1876

**Telephone No.:** (850) 222-0720 **Fax No.:** (850) 224-4359

**Internet E-Mail Address:** nhorton@lawfla.com

**Internet Website Address:** does not apply

(b) Official point of contact for the ongoing operations of the company:

**Name:** Wayne A. Ellis

**Title:** General Manager

**Address:** 241 Ralph McGill Blvd, Bin 10198

**City/State/Zip:** Atlanta, GA 30308

Telephone No.: (404) 506-4063 Fax No.: (404) 506-4645

Internet E-Mail Address: WAELLIS@southernco.com

Internet Website Address: None

(c) Complaints/Inquiries from customers:

Name: Wayne A. Ellis

Title: General Manager

Address: 241 Ralph McGill Blvd., Bin 10198

City/State/Zip: Atlanta, GA 30319

Telephone No.: (404) 506-4063 Fax No.: (404) 506-4645

Internet E-Mail Address: WAELLIS@southernco.com

Internet Website Address:

17. List the states in which the applicant:

(a) has operated as an alternative local exchange company.

None

(b) has applications pending to be certificated as an alternative local exchange company.

None

(c) is certificated to operate as an alternative local exchange company.

None

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(d) has been denied authority to operate as an alternative local exchange company and the circumstances involved.

None

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(e) has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.

None

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(f) has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None

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18. Submit the following:

A. Financial capability.

The application **should contain** the applicant's audited financial statements for the most recent 3 years. If the applicant does not have audited financial statements, it shall so be stated.

The unaudited financial statements should be signed by the applicant's chief executive officer and chief financial officer **affirming that the financial statements are true and correct** and should include:

1. the balance sheet:  
See Appendix D
2. income statement: and  
See Appendix D



3. statement of retained earnings.

See Appendix D.

**NOTE:** *This documentation may include, but is not limited to, financial statements, a projected profit and loss statement, credit references, credit bureau reports, and descriptions of business relationships with financial institutions.*

Further, the following (which includes supporting documentation) should be provided:

1. **written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.

See Appendix D

2. **written explanation** that the applicant has sufficient financial capability to maintain the requested service.

See Appendix D

3. **written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

See Appendix D

B. **Managerial capability:** give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.

See Appendix E

C. **Technical capability:** give resumes of employees/officers of the company that would indicate sufficient technical experiences or indicate what company has been contracted to conduct technical maintenance.

See Appendix F

**\*\* APPLICANT ACKNOWLEDGEMENT STATEMENT \*\***

- 1. REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee of \$50 is required.
- 2. GROSS RECEIPTS TAX:** I understand that all telephone companies must pay a gross receipts tax of two and one-half percent on all intra and interstate business.
- 3. SALES TAX:** I understand that a seven percent sales tax must be paid on intra and interstate revenues.
- 4. APPLICATION FEE:** I understand that a non-refundable application fee of \$250.00 must be submitted with the application.

**UTILITY OFFICIAL:**

|           |                                   |               |                     |
|-----------|-----------------------------------|---------------|---------------------|
| Signature | <u>Bertram Cleary</u>             | Date          | <u>1/11/00</u>      |
| Title     | <u>President</u>                  | Telephone No. | <u>404-506-7801</u> |
| Address:  | <u>241 Ralph McGill Boulevard</u> | Fax No.       | <u>404-506-3090</u> |
|           | <u>Box 10200</u>                  |               |                     |
|           | <u>Atlanta, Georgia 30308</u>     |               |                     |

**ATTACHMENTS:**

- A - CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT
- B - INTRASTATE NETWORK
- C - AFFIDAVIT
- GLOSSARY

**CERTIFICATE SALE, TRANSFER, OR ASSIGNMENT STATEMENT**

I, (Name) Does not apply.

(Title) \_\_\_\_\_ of (Name of Company) \_\_\_\_\_

and current holder of Florida Public Service Commission Certificate Number # \_\_\_\_\_  
\_\_\_\_\_, have reviewed this application and join in the petitioner's request for  
a:

- ( ) sale
- ( ) transfer
- ( ) assignment

of the above-mentioned certificate.

**UTILITY OFFICIAL:**

Bertram A. Leaf \_\_\_\_\_ 1/11/00 \_\_\_\_\_  
Signature Date  
President \_\_\_\_\_ 404-506-7801 \_\_\_\_\_  
Title Telephone No.  
Address: 241 Ralph McGill Boulevard \_\_\_\_\_ 404-506-3090 \_\_\_\_\_  
Box 10200 \_\_\_\_\_  
Atlanta, GA 30308 \_\_\_\_\_

**INTRASTATE NETWORK** (if available)

Chapter 25-24.825 (5), Florida Administrative Code, requires the company to make available to staff the alternative local exchange service areas only upon request.]

**1. POP:** Addresses where located, and indicate if owned or leased.

|                |          |
|----------------|----------|
| 1) <u>None</u> | 2) _____ |
| _____          | _____    |
| 3) _____       | 4) _____ |
| _____          | _____    |

**2. SWITCHES:** Address where located, by type of switch, and indicate if owned or leased.

|                |          |
|----------------|----------|
| 1) <u>None</u> | 2) _____ |
| _____          | _____    |
| 3) _____       | 4) _____ |
| _____          | _____    |

**3. TRANSMISSION FACILITIES:** POP-to-POP facilities by type of facilities (microwave, fiber, copper, satellite, etc.) and indicate if owned or leased.

| <u>POP-to-POP</u> | <u>OWNERSHIP</u> |
|-------------------|------------------|
| 1) <u>None</u>    | _____            |
| 2) _____          | _____            |
| 3) _____          | _____            |
| 4) _____          | _____            |

**AFFIDAVIT**

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide alternative local exchange company service in the State of Florida. I have read the foregoing and declare that, to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that, pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083."

**UTILITY OFFICIAL:**

|           |                                   |               |                     |
|-----------|-----------------------------------|---------------|---------------------|
| Signature | <u>Bertram E. Sean</u>            | Date          | <u>1/11/00</u>      |
| Title     | <u>President</u>                  | Telephone No. | <u>404-506-7801</u> |
| Address:  | <u>241 Ralph McGill Boulevard</u> | Fax No.       | <u>404-506-3090</u> |
|           | <u>Box 10200</u>                  |               |                     |
|           | <u>Atlanta, GA 30308</u>          |               |                     |

## **APPENDIX D**

### **FINANCIAL CAPABILITY**

With capitalization of approximately eight million dollars and a net income for 1998 of over four million dollars, Southern Telecom has sufficient financial capability to provide and maintain the services for which it is applying for a certificate of authority and to meet its lease and ownership obligations. The attached financial statements provide more detail.


Intracompany Correspondence



DATE: December 2, 1999  
RE: Southern Telecom Financial Statements  
FROM: Kenneth L. Huff  
TO: Southern Telecom Management

I have reviewed Southern Telecom's Income Statements (for the 12 months ending December 31, 1998 and for the ten months ending October 31, 1999) and the Balance Sheets (as of December 31, 1998 and October 31, 1999). Additionally, I have reviewed the Cash Flow Statement as of October 31, 1999.

I am satisfied that these statements reasonably reflect the results of operations and the financial position of Southern Telecom.



\_\_\_\_\_  
Kenneth L. Huff  
*Comptroller and General Manager of  
Administrative and Financial Services*

**Southern Telecom, Inc.**  
Statement of Income  
For the period ended October 31, 1999

|                            |                     |
|----------------------------|---------------------|
| Operating revenues         | \$ 6,244,584        |
| Operating expenses         | <u>2,760,389</u>    |
| <b>Operating income</b>    | 3,484,194           |
| Other income               | <u>235,001</u>      |
| <b>Income before taxes</b> | 3,719,196           |
| Income taxes               | <u>1,245,707</u>    |
| <b>Net income</b>          | <u>\$ 2,473,489</u> |



**Southern Telecom, Inc.**  
Statement of Income  
For the year ended December 31, 1998

|                            |                     |
|----------------------------|---------------------|
| Operating revenues         | \$ 12,303,069       |
| Operating expenses         | <u>5,656,285</u>    |
| <b>Operating income</b>    | 6,646,784           |
| Other income               | <u>206,308</u>      |
| <b>Income before taxes</b> | 6,853,092           |
| Income taxes               | <u>2,796,717</u>    |
| <b>Net income</b>          | <u>\$ 4,056,375</u> |

**Southern Telecom, Inc.**  
Balance Sheet  
October 31, 1999

**Assets :**

*Current Assets :*

|                                            |               |
|--------------------------------------------|---------------|
| Cash                                       | \$ 24,613,879 |
| Accounts receivable                        | 2,853,200     |
| Accounts receivable - associated companies | 1,298,693     |
| Costs in excess of billings                | 780,220       |
| Total Current Assets                       | \$ 29,545,992 |

|                                          |                      |
|------------------------------------------|----------------------|
| Deferred charges related to income taxes | 55,466               |
| Property and Investments                 | \$ 991,810           |
| Accumulated Depreciation                 | (139,834)            |
| Net property and investments             | 851,976              |
| Total Assets                             | <u>\$ 30,453,433</u> |

**Liabilities :**

|                                         |                |
|-----------------------------------------|----------------|
| Accounts payable                        | \$ 155,942     |
| Accounts payable - associated companies | 195,275        |
| Taxes accrued                           | 557,705        |
| Billings in excess of costs             | 22,180,739     |
| Deferred credits                        | <u>942,996</u> |

|                   |                      |
|-------------------|----------------------|
| Total Liabilities | <u>\$ 24,032,658</u> |
|-------------------|----------------------|

**Capitalization :**

|                   |                  |
|-------------------|------------------|
| Common Stock      | \$ 1,000         |
| Paid in Capital   | -                |
| Retained Earnings | <u>6,419,775</u> |

|                      |                     |
|----------------------|---------------------|
| Total Capitalization | <u>\$ 6,420,775</u> |
|----------------------|---------------------|

|                                      |                      |
|--------------------------------------|----------------------|
| Total Liabilities and Capitalization | <u>\$ 30,453,433</u> |
|--------------------------------------|----------------------|

**Southern Telecom, Inc.**  
Balance Sheet  
December 31, 1998

**Assets :**

*Current Assets :*

|                                            |               |
|--------------------------------------------|---------------|
| Cash                                       | \$ 3,773,466  |
| Accounts receivable                        | 4,148,889     |
| Accounts receivable - associated companies | 2,017,323     |
| Costs in excess of billings                | 1,834,465     |
| Total Current Assets                       | \$ 11,774,142 |

Deferred charges related to income taxes 554,104

|                              |                      |
|------------------------------|----------------------|
| Property and Investments     | \$ 1,797,763         |
| Accumulated Depreciation     | (97,539)             |
| Net property and investments | 1,700,224            |
| Total Assets                 | <u>\$ 14,028,470</u> |

**Liabilities :**

|                                         |                  |
|-----------------------------------------|------------------|
| Accounts payable                        | \$ 218,862       |
| Accounts payable - associated companies | 1,877,162        |
| Taxes accrued                           | 520,944          |
| Billings in excess of costs             | 2,340,371        |
| Deferred credits                        | <u>1,123,846</u> |

Total Liabilities \$ 6,081,184

**Capitalization :**

|                   |                  |
|-------------------|------------------|
| Common Stock      | \$ 1,000         |
| Paid in Capital   | 3,333,429        |
| Retained Earnings | <u>4,612,857</u> |

Total Capitalization \$ 7,947,287

Total Liabilities and Capitalization \$ 14,028,470

**Southern Telecom, Inc.**  
**Statement of Cash Flows**  
**(Indirect Method)**

Increase(Decrease) in Cash  
for the Period Ended October 31, 1999

*Cash flows from operating activities :*

|                                                                                    |                  |                   |
|------------------------------------------------------------------------------------|------------------|-------------------|
| <b>Net Income</b>                                                                  |                  | \$ 2,473,489      |
| Adjustments to reconcile net income to net cash provided by operating activities : |                  |                   |
| Depreciation and Amortization                                                      | 42,296           |                   |
| Changes in operating assets and liabilities :                                      |                  |                   |
| Decrease in accounts receivable (net of provision for bad debt)                    | 1,295,689        |                   |
| Decrease in accounts receivable - associated companies                             | 718,630          |                   |
| Decrease in costs in excess of billings                                            | 1,054,246        |                   |
| Decrease in deferred charges related to income taxes                               | 498,638          |                   |
| Decrease in accounts payable                                                       | (62,920)         |                   |
| Decrease in accounts payable - associated companies                                | (1,681,887)      |                   |
| Increase in taxes accrued                                                          | 36,761           |                   |
| Increase in billings in excess of costs                                            | 19,840,368       |                   |
| Decrease in deferred credits                                                       | <u>(180,850)</u> |                   |
| Total adjustments to net income                                                    |                  | <u>21,560,971</u> |
| Net cash provided (used) by operating activities                                   |                  | \$ 24,034,460     |

*Cash flows from investing activities :*

|                                      |  |            |
|--------------------------------------|--|------------|
| Decrease in Property and Investments |  | \$ 805,953 |
|--------------------------------------|--|------------|

*Cash flows from financing activities*

|                                                  |                  |                             |
|--------------------------------------------------|------------------|-----------------------------|
| Decrease in paid in capital                      | \$ (3,333,429)   |                             |
| Dividends paid to parent                         | <u>(666,571)</u> |                             |
| Net cash provided (used) by financing activities |                  | <u>(4,000,001)</u>          |
| Net increase (decrease) in cash                  |                  | \$ 20,840,413               |
| Cash - beginning of year                         |                  | <u>3,773,466</u>            |
| Cash - end of period                             |                  | <u><u>\$ 24,613,879</u></u> |

## APPENDIX E

### MANAGERIAL CAPABILITY

The following summarizes the qualifications of Southern Telecom's key personnel.

#### **Bertram Sears, President and CEO**

Mr. Sears joined Southern Company in 1991 as a financial analyst. Since that time he has served as Manager of the Corporate Finance Group and Project Finance Manager of Southern Electric International, Executive Assistant to the President and CEO of Georgia Power, and Georgia Power's Region Manager of the Metro Southwest. He served in this capacity until assuming his current position in November of 1998. In addition to serving as president and CEO of Southern Telecom, Mr. Sears is also Vice President, Marketing and New Business Development at Southern Company Services, Inc. In this role he also serves as President and CEO of Southern Company Energy Solutions, a non-regulated Southern Company subsidiary, responsible for developing and managing customer-focused, energy-related products and services.

Before joining the Southern Electric System, Mr. Sears was with Paine Webber, Inc. in New York City. There, he had a variety of financial roles which included equity research, fixed income security trading, mutual fund marketing, real estate partnership management and municipal investment banking.

Mr. Sears received a Master's degree in Business Administration from Harvard University in 1991, and a Bachelor's degree in political science from Morehouse College in Atlanta in 1986. He also attended the Universitat Freiburg in Freiburg, West Germany, from 1984-1985, where his studies concentrated on political science and economics.

#### **Michael Britt, Vice President**

Prior to serving in this role, Mr. Britt served as Director of Mass Market Strategy and as Assistant to the Vice President of Telecommunications Services for Southern Company. Mr. Britt also has a successful career in business strategy consulting to the electric and telecommunications industries with Andersen Consulting and Theodore Barry & Associates.

In Mr. Britt's 10 year consulting career he served numerous Telecommunications, Entertainment and Electric Utility customers including BellSouth, Bell Atlantic, Cox Communications, TCI, Comcast, Western Resources, Florida Power & Light and TVA. In early 1996, Mr. Britt co-authored an Anderson Consulting publication "The Role of Broadband Communications In The Utility of the Future."

Mr. Britt received his Bachelor's degree from the University of Pennsylvania in 1985 and his Master's in Business Administration from the University of Notre Dame in 1991.

### **Wayne Ellis, General Manager**

Wayne Ellis has over 19 years of experience at Southern Company. He has managed fiber optic development projects throughout the Southern Company territory. He also has management experience in the areas electric generation project development, utilities marketing (sales planning and research) and distribution engineering. He has also served in the United States Army for twenty five years, on both an active and reserve basis, as Signal (Communications) officer.

He has a Masters of Business Administration from the University of Alabama-Birmingham and a Bachelor of Electrical Engineering from the Georgia Institute of Technology. He is a Registered Professional Engineer, State of Alabama, # 14843.

### **Donald D. Griggs, Contract Manager**

Donald Griggs provides management assistance in implementation of legal, tactical and strategic services, goals and objectives. He coordinates all new business development opportunities and manages strategic business relationships. He also coordinates accounting, operations and engineering functions.

He previously served as a project administrator for Southern Development and Investment Group. In that position, he provided project administration for ongoing business lines and projects. He also interfaced with key clients to ensure that all contractual obligations were being met and that customers were satisfied with their services. He also provided detailed analysis of contractual terms and conditions.

He received a Bachelor in Electrical Engineering in 1996 from the Georgia Institute of Technology with a specialization in Electronic Design and Applications of Analog Electronics

### **Phil Franklin, Business Development Manager**

Phil Franklin is responsible for developing new clients, analyzing project proposals, developing new business strategies and performing strategic planning of new and ongoing projects. He has 12 years of experience with the Southern Company.

His other duties within the Southern System have included credit risk management, electric power marketing and sales, commercial pricing management, commercial power sales and management and electrical engineering and system design.

He has a Master of Business Administration from Auburn University at Montgomery and a Bachelor of Electrical Engineering from Auburn University.

## **APPENDIX F**

### **TECHNICAL CAPABILITY**

Southern Telecom will contract with Southern Company Services for technical maintenance of Southern Telecom's network. Southern Company Services manages, operates and maintains one of the largest privately owned telecommunications networks in the South East. Starting in 1957 with the formation of a group of dedicated individuals responsible for providing internal communications services to Southern Company affiliates, Southern Company Services has grown to an organization comprised of 40 engineers and 140 operations personnel. Southern Company Services maintains and operates Southern Company's internal communications network and provides products and maintenance services to two of the nations largest telecommunications companies. Through its state of the art Network Operations Center (NOC) and its Telecommunications Operation Center (TOC) located in Birmingham, Alabama, Southern Company Services monitors and maintains its telecommunications network 24 hours a day, 7 days a week. Southern Company's telecommunications infrastructure consists of 5000 miles of microwave network, 3600 miles of fiber optic network, 382 microwave sites and over 120 fiber sites including Points of Presence. Southern Company Services currently provisions and manages over 7,000 circuits daily.