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HAROLD M. KNOWLES  
JOHN R. MARKS, III  
ROOSEVELT RANDOLPH

March 22, 2002

Ms. Blanca Bayo, Director  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, Florida 32399-0850

Re: Docket No. 020123-TP Transfer Applications

Dear Ms. Bayo:

Included herein are two (2) applications for the transfer of telecommunications authority to Progress Telecom Corporation, a wholly owned subsidiary of Progress Energy, Inc. The first application is a request for transfer of ALEC Certificate No. 7448 from Progress Telecommunications Corporation to Progress Telecom Corporation. The other application is for the transfer of IXC Certificate No. 7058 from Caronet, Inc., a wholly owned subsidiary of Carolina Power & Light to Progress Telecom Corporation.

In a memorandum to the Commission dated February 14, 2002 related to these transfers, it was requested that Alternative Access Vendor Certificate No. 5764 also be transferred to Progress Telecom Corporation. Progress Telecom Corporation has subsequently determined that authority to provide Alternative Access Vendor services is not necessary and therefore requests that Certificate No. 5764 be canceled. In addition, the memorandum of February 14, 2002 also requested that ALEC Certificate No. 7038 currently held by Caronet be canceled.

AUS \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL \_\_\_\_\_  
OPC \_\_\_\_\_  
MMS \_\_\_\_\_  
SEC \_\_\_\_\_  
OTH \_\_\_\_\_

Nonnye

Based on the memorandum of February 14, 2002 this matter has already be assigned Docket No. 020123-TP. Finally, it is also our understanding that applications for an assignment or transfer of an existing certificate to another company does not require a filing fee. If this is not correct, please advise and the appropriate filing fee(s) will be submitted.

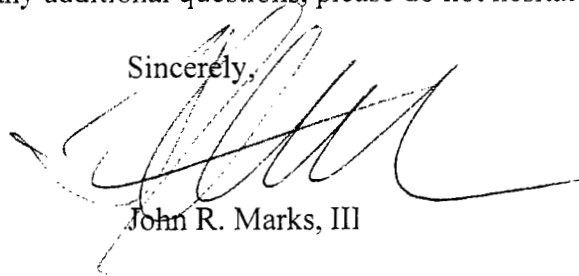
ALEC  
DOCUMENT NUMBER-DATE  
03374 MAR 22 02  
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IXC  
DOCUMENT NUMBER-DATE  
03375 MAR 22 02  
FPSC-COMMISSION CLERK

Ms. Blanca Bayo, Director  
March 22, 2002  
Page 2

If you should have any additional questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Marks, III". The signature is fluid and cursive, with a long horizontal stroke at the end.

John R. Marks, III

JRM/lcg

Enclosure

cc: Cathy Quinn

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

**DIVISION OF REGULATORY OVERSIGHT**  
**CERTIFICATION SECTION**

020123-11

Application Form for Authority to Provide  
Interexchange Telecommunications Service  
Between Points 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 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 Page 16).
- ◆ 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**

Note: **No filing fee is required** for an assignment or transfer of an existing certificate to another company.

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

**Florida Public Service Commission**  
**Division of Regulatory Oversight**  
**Certification Section**  
**2540 Shumard Oak Blvd.**  
**Tallahassee, Florida 32399-0850**  
**(850) 413-6480**

1. This is an application for  $\sqrt$  (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:

~~Progress Telecom Corporation~~

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

Progress Telecom

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

~~Bayboro Station~~

263 13th Avenue, South

~~St. Petersburg, FL 33701~~

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

~~Same as above~~

6. Select type of business your company will be conducting  $\sqrt$  (check all that apply):

- Facilities-based carrier** - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.

- ( ) **Operator Service Provider** - company provides or plans to provide alternative operator services for IXCs; or toll operator services to call aggregator locations; or clearinghouse services to bill such calls.
- ( ) **Reseller** - company has or plans to have one or more switches but primarily leases the transmission facilities of other carriers. Bills its own customer base for services used.
- ( ) **Switchless Rebill** - company has no switch or transmission facilities but may have a billing computer. Aggregates traffic to obtain bulk discounts from underlying carrier. Rebills end users at a rate above its discount but generally below the rate end users would pay for unaggregated traffic.
- ( ) **Multi-Location Discount Aggregator** - company contracts with unaffiliated entities to obtain bulk/volume discounts under multi-location discount plans from certain underlying carriers, then offers resold service by enrolling unaffiliated customers.
- ( ) **Prepaid Debit Card Provider** - any person or entity that purchases 800 access from an underlying carrier or unaffiliated entity for use with prepaid debit card service and/or encodes the cards with personal identification numbers.

7. Structure of organization;

- |                         |   |
|-------------------------|---|
| ( ) Individual          | ( <input checked="" type="checkbox"/> ) Corporation |
| ( ) Foreign Corporation | ( ) Foreign Partnership                             |
| ( ) General Partnership | ( ) Limited Partnership                             |
| ( ) Other _____         |   |

8. **If individual**, provide:

Name: N/A  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_  
Internet E-Mail Address: \_\_\_\_\_  
Internet Website Address: \_\_\_\_\_

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

(a) **The Florida Secretary of State Corporate Registration number:**  
P01000120903

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

(a) **The Florida Secretary of State Corporate Registration number:**  
N/A

11. **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:**  
N/A

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

(a) **The Florida Secretary of State registration number:** N/A

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

Name:  N/A

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

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

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

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

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

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

14. **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:**  N/A

15. Provide **F.E.I. Number** (if applicable):  22-3850755

16. Provide the following (if applicable):

(a) Will the name of your company appear on the bill for your services?  
(X) Yes ( ) No

(b) If not, who will bill for your services?

Name:  N/A

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

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

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

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

(c) How is this information provided?

N/A  
\_\_\_\_\_

17. Who will receive the bills for your service?

- Residential Customers                       Business Customers  
 PATs providers                               PATs station end-users  
 Hotels & motels    Hotel & motel guests  
 Universities                                   Universities dormitory residents  
 Other: (specify) The same as Caronet Certificate No. 7058

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

(a) The application:

Name: John R. Marks, III

Title: Attorney

Address: 215 South Monroe Street, Suite 130

City/State/Zip: Tallahassee, Florida 32301

Telephone No.: 850-222-3768 Fax No.: 850-561-0397

Internet E-Mail Address: johnm@kmrlaw.com

Internet Website Address: kmrlaw.com



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

Name: Cathy Quinn  
Title: Sr. Interconnection & Regulatory Specialist  
Address: Bayboro Station, 263 13th Ave., S.  
City/State/Zip: St. Petersburg, FL 33701  
Telephone No.: 727-820-5611 Fax No.: 727-826-5973  
Internet E-Mail Address: cquinn@progresstelecom.com  
Internet Website Address: www.progresstelecom.com

(c) Complaints/Inquiries from customers:

Name: Cathy Quinn  
Title: Sr. Interconnection & Regulatory Specialist  
Address: Bayboro Station, 263 13th Ave., South  
City/State/Zip: St. Petersburg, FL 33701  
Telephone No.: 727-820-5611 Fax No.: 727-820-5973  
Internet E-Mail Address: cquinn@progresstelecom.com  
Internet Website Address: www.progresstelecom.com

19. List the states in which the applicant:

(a) has operated as an interexchange telecommunications company.

N/A

(b) has applications pending to be certificated as an interexchange telecommunications company.

N/A

(c) is certificated to operate as an interexchange telecommunications company.

~~See 19(a)~~

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(d) has been denied authority to operate as an interexchange telecommunications company and the circumstances involved.

No

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

No

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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.

No

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20. 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. If so, please explain.

No

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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.

See attached.

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21. The applicant will provide the following interexchange carrier services  (check all that apply): See services provided pursuant to IXC Certificate NO. 7058.

a. \_\_\_\_\_ MTS with distance sensitive per minute rates

\_\_\_\_\_ Method of access is FGA  
\_\_\_\_\_ Method of access is FGB  
\_\_\_\_\_ Method of access is FGD  
\_\_\_\_\_ Method of access is 800

b. \_\_\_\_\_ MTS with route specific rates per minute

\_\_\_\_\_ Method of access is FGA  
\_\_\_\_\_ Method of access is FGB  
\_\_\_\_\_ Method of access is FGD  
\_\_\_\_\_ Method of access is 800

c. \_\_\_\_\_ MTS with statewide flat rates per minute (i.e. not distance sensitive)

Transfer of IXC Certificate of Caronet, Inc., to Progress Telecom Corporation.

20(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.

William Cavanaugh - Chairman of the Board, Progress Telecommunications Corporation; Director, Caronet, Inc.

Ronald Mudry - President and CEO, & Director, Progress Telecommunications Corporation

William Johnson - Director, Progress Telecommunications Corporation; Corporate Secretary, Caronet, Inc.

Peter M. Scott, III - Director, Progress Telecommunications corporation; President, Caronet, Inc.

Robert McGehee - Director, Progress Telecommunications Corporation, Director, Caronet, Inc.

Thomas Sullivan - Treasurer, Progress Telecommunications Corporation; Treasurer, Caronet, Inc.

- \_\_\_\_\_ Method of access is FGA
- \_\_\_\_\_ Method of access is FGB
- \_\_\_\_\_ Method of access is FGD
- \_\_\_\_\_ Method of access is 800

d. \_\_\_\_\_ **MTS for pay telephone service providers**

e. \_\_\_\_\_ **Block-of-time calling plan (Reach Out Florida, Ring America, etc.).**

f. \_\_\_\_\_ **800 service (toll free)**

g. \_\_\_\_\_ **WATS type service (bulk or volume discount)**

- \_\_\_\_\_ Method of access is via dedicated facilities
- \_\_\_\_\_ Method of access is via switched facilities

h. \_\_\_\_\_ **Private line services (Channel Services)**  
(For ex. 1.544 mbs., DS-3, etc.)

I. \_\_\_\_\_ **Travel service**

- \_\_\_\_\_ Method of access is 950
- \_\_\_\_\_ Method of access is 800

j. \_\_\_\_\_ **900 service**

k. \_\_\_\_\_ **Operator services**

- \_\_\_\_\_ Available to presubscribed customers
- \_\_\_\_\_ Available to non presubscribed customers (for example, to patrons of hotels, students in universities, patients in hospitals).
- \_\_\_\_\_ Available to inmates

1. **Services included are:**

- \_\_\_\_\_ Station assistance
- \_\_\_\_\_ Person-to-person assistance
- \_\_\_\_\_ Directory assistance
- \_\_\_\_\_ Operator verify and interrupt
- \_\_\_\_\_ Conference calling

22. Submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).

See tariff provided with Certificate No. 7058

23. Submit the following:

**A. Managerial capability;** give resumes of employees/officers of the company that would indicate sufficient managerial experiences of each.  
See attached "Corporate Overview"

**B. 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 attached "Corporate Overview" and "Our Network"

**C. Financial capability.**

Applicant is a subsidiary of Progress Energy, Inc. (See attached organization chart)  
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;
2. income statement; and
3. statement of retained earnings.

**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. **A written explanation** that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. **A written explanation** that the applicant has sufficient financial capability to maintain the requested service.
3. **A written explanation** that the applicant has sufficient financial capability to meet its lease or ownership obligations.

**THIS PAGE MUST BE COMPLETED AND SIGNED**

**APPLICANT ACKNOWLEDGMENT STATEMENT**

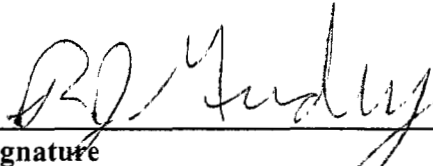
1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of its gross operating revenue derived from intrastate business. Regardless of the gross operating revenue of a company, a minimum annual assessment fee 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:**

Ronald J. Mudry  
Print Name

President & CEO  
Title

727-820-5300      727-820-5973  
Telephone No.              Fax No.

  
Signature

3/20/02  
Date

Address: 263 13th Avenue South  
St. Petersburg, Florida 33701  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



**THIS PAGE MUST BE COMPLETED AND SIGNED**

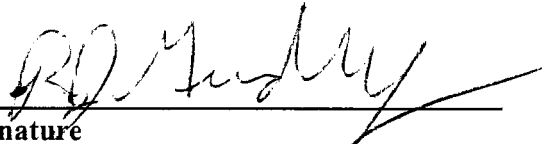
**CUSTOMER DEPOSITS AND ADVANCE PAYMENTS**

A statement of how the Commission can be assured of the security of the customer's deposits and advance payments may be provided in one of the following ways (applicant, please  check one):

- (     ) The applicant will **not** collect deposits nor will it collect payments for service more than one month in advance.
  
- (  ) The applicant intends to collect deposits and/or advance payments for more than one month's service and will file and maintain a surety bond with the Commission in an amount equal to the current balance of deposits and advance payments in excess of one month.  
(The bond must accompany the application.)

**UTILITY OFFICIAL:**

Ronald J. Mudry  
Print Name

  
Signature

President & CEO  
Title

3/20/02  
Date

727-820-5300  
Telephone No.

727-820-5973  
Fax No.

Address: 263 13th Avenue South  
St. Petersburg, Florida 33701  
\_\_\_\_\_  
\_\_\_\_\_

**THIS PAGE MUST BE COMPLETED AND SIGNED**

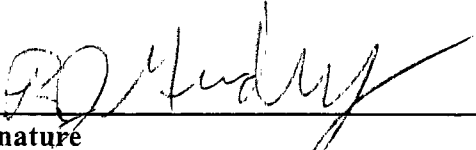
**AFFIDAVIT**

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 interexchange telecommunications 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:**

Ronald J. Mudry  
Print Name

  
Signature

President & CEO  
Title

3/20/02  
Date

727-820-5300  
Telephone No.

727-820-5973  
Fax No.

Address: 263 13th Avenue South

St. Petersburg, FL 33701

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

**CURRENT FLORIDA INTRASTATE SERVICES**

Applicant **has** ( ) or **has not** ( x ) previously provided intrastate telecommunications in Florida.

If the answer is has, fully describe the following:

a) What services have been provided and when did these services begin?

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

b) If the services are not currently offered, when were they discontinued?

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

**UTILITY OFFICIAL:**

Ronald J. Mudry  
Print Name

President & CEO  
Title

727-820-5300  
Telephone No.

RJ Mudry  
Signature

3/20/02  
Date

Address: 263 13<sup>th</sup> Avenue South  
St. Petersburg, FL 33701  
\_\_\_\_\_  
\_\_\_\_\_

**CERTIFICATE TRANSFER, OR ASSIGNMENT STATEMENT**

I, (Name) Peter Scott, III

(Title) President of  
Caronet, Inc. (Name of Company)

and current holder of Florida Public Service Commission Certificate Number

# 7058, have reviewed this application and join in the petitioner's request for a:

transfer

assignment

of the above-mentioned certificate.

**UTILITY OFFICIAL:**

Peter Scott, III  
Print Name

President  
Title

919-546-5533  
Telephone No.

*Peter M. Scott*  
Signature

3/20/02  
Date

919-546-5245  
Fax No.

Address: P.O. Box 1551  
Raleigh, N.C. 27602  
\_\_\_\_\_  
\_\_\_\_\_