

Paul Hudson
Chairman

Julie Parsley
Commissioner

Commissioner

W. Lane Lanford
Executive Director



Public Utility Commission of Texas

INSTRUCTIONS FOR THE APPLICATION OR AMENDMENT OF A CERTIFICATE OF CONVENIENCE AND NECESSITY

A **sworn** application should be submitted to:

Central Records Filing Clerk
Public Utility Commission of Texas
1701 N. Congress Avenue
P.O. Box 13326
Austin, Texas 78711-3326
(512) 936-7180

An Application consists of a title page, an affidavit, and the required, properly completed questions. The Applicant shall also file the Application electronically as directed by the Commission's Procedural Rules, which can be found on the Commission's web site. **Seven copies (six copies and one original) of the Application** should be submitted and should meet the following requirements:

- Each copy should be three-hole punched and bound in a loose-leaf binder with a tab before each numbered question.
- The docket number (if known) and the Applicant's name should appear on the spine of the notebook and on each page of the Application.

NOTE: The Applicant has the burden of establishing that it is qualified to be granted a certificate to provide local exchange service by the Public Utility Commission of Texas (Commission). The Public Utility Regulatory Act (PURA), V.T.C.A., UTILITIES CODE, Subchapter B. Certificate of Convenience and Necessity §§54.051-54.054 (Vernon 1998 and Supp. 2000) (PURA) and Substantive Rules §§26.101 and 26.103 require the Applicant:

- to prove that it is **financially and technically qualified** to provide the service requested,
- to prove that it is able to meet the Commission's **quality of service requirements**, and
- to prove that an award of a CCN to the Applicant is **in the public interest**.

The Applicant must answer all of the questions on this Application form in a truthful manner, and must promptly notify the Commission of any substantive changes in the information provided in this Application by filing **Seven copies (six copies and one original) of the amendment** to the Application with the Commission's Filing Clerk.

If the Applicant believes that specific information in its Application is not subject to disclosure under the Texas Open Records Act, V.T.C.A., Government Code §552.001 *et seq.* (Vernon Supp. 2000), the Applicant may label that information confidential, citing the applicable

provisions of the Open Records Act. Information labeled confidential will be treated as set forth in the generic protective order issued by the Commission on August 30, 1995, a copy of which may be obtained from Central Records at the address set forth above. The title page, affidavit, and responses to questions 1-15(a), 16, and 26 - 31 should not be labeled confidential. Confidential information shall be filed in accordance with Procedural Rules §22.71(d). If you have any questions concerning the filing of confidential information, contact the Confidential Documents Manager, Ms. Carol Milner (carol.milner@puc.state.tx.us).

The CCN Application is a multipurpose application. The Applicant may file for multiple amendments within the same application. **If the Application Question is not listed per Application Type, DO NOT submit it. This Application is a FORMAT, not a form, so add or drop spaces and lines as required. Attachments must be labeled/identified. Please keep attachments to a minimum, providing the responses directly below the question as much as possible. Failure to provide complete, truthful, or responsive answers to all requested questions may result in denial or delay in the processing of the certificate requested. An answer of "Not Applicable" or "N/A" is considered non-responsive and is unacceptable. The instructions are not to be filed with this Application.**

Application Type	Required Responses To Questions
	Title Page (TP), Affidavit (AF)
New CCN Application	TP, AF, 1-11, &13-26
CCN Service Area Boundary Amendment	TP, AF, 1, 2(a,b,c,d), 3, 4, 5, 6, 10, & 11
CCN Sale Transfer Merger (STM) Amendment	TP, AF, 1 – 26
CCN Name Change Amendment	TP,AF, 1, 2(a, b, c, e, h, i), 3 & 14
CCN Certification Relinquishment	TP, 1, 2(a, b, c, e, h, i), 3, 14, & 27-31



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512 936-7000 • (Fax) 936-7003
Web Site: www.puc.state.tx.us

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(TITLE PAGE)

APPLICATION FOR CERTIFICATION AND AMENDMENT TO A CERTIFICATE OF CONVENIENCE AND NECESSITY

DOCKET NO. _____

CERTIFICATED APPLICANT:

Authorized Representative or Attorney to contact about this Application:

NAME: _____ TITLE: _____

ADDRESS:

TELEPHONE: _____ FAX: _____

EMAIL ADDRESS: _____

Agent for Service of Process:

NAME: _____ TITLE: _____

ADDRESS:

TELEPHONE: _____ FAX: _____

EMAIL ADDRESS: _____

- (h) Legal name of parent company, if any, and a description of its primary business interests; and,
 - (i) Legal name of all affiliated companies that are public utilities or that are providing telecommunications services and the states in which they are providing service. Give a description of all affiliates and explain in detail the relationship between the Applicant and its affiliates. An organizational chart should be provided, if available.
3. State the name **and only one name**, in which the Applicant wants the Commission to issue or amend this certificate. *(NOTE: If the Applicant is a corporation, the Commission will issue the certificate in either the Applicant's corporate or assumed name, not both. The certificate holder must use only the name approved by the Commission on all bills and advertisements sent to or viewed by the public. Name Changes require Commission Approval as well as Secretary of State Approval.)*

SECTION TWO – TECHNICAL INFORMATION

4. Does this Application directly affect other Utilities? If Yes, name the utility(s) and provide a letter of approval/disapproval from the affected utility(s).
5. Provide a written description of the exchanges, local access and transportation areas (LATAs), or incumbent local exchange company (ILEC) service areas or attach a scaled map of the geographic area for which the certificate is requested within the State of Texas that the Applicant proposes to serve.
6. How and when were the affected customers notified of this Application? Provide a copy of the letter of notification.
7. Does the Applicant or its affiliate currently hold a service provider certificate of operating authority (SPCOA) or certificate of operating authority (COA) for any part of the service area covered by this Application? If so, how will this request effect that SPCOA or COA certification?
8. (a) Does the Applicant expect to provide service to customers other than itself and its affiliates?
- (b) Has the Applicant provided one copy of this Application to the Commission on State Emergency Communications (a.k.a. 911 Commission)?
(Send copy to Commission on State Emergency Communications, Revenue Account Section at 333 Guadalupe Street, Suite 2-212, Austin, Texas 78701-3942, with phone number 512-305-6911, fax number 512-305-6937, and website address www.911.state.tx.us).

- (c) As part of the Application provided to the 911 Commission, the applicant shall provide the name, title, address, and telephone number of the applicant's 911 contact person as required in Substantive Rule No. 26.433(e)(2)(a). Any change in the information about the applicant's designated 911 contact person shall be filed with the 911 Commission with five days of the change.
9. (a) Is the Applicant a municipality?
 - (b) Will the Applicant enable a municipality or municipal electric system to offer for sale to the public, directly or indirectly, local exchange telephone service, basic local telecommunications service, switched access service, or any non-switched telecommunications service used to provide connections between customers' premises within an exchange or between a customer's premises and a long distance provider serving the exchange?
 10. Does the Applicant have a tariff on file with the Commission? If yes, how will this application affect the tariff?
 11. Will the request in the Application in any way harmfully affect recreational and park areas, historical and aesthetic values, community values, or the integrity of the environment? Provide an explanation
 12. If this is an S/T/M, what physical (customer service offices closed, plant closures, etc.), personnel (reduction, additions, consolidations, etc.), and operational (quality of service, maintenance, etc.) changes will occur once the takeover is accomplished. Provide detailed explanations.

SECTION THREE – TECHNICAL QUALIFICATIONS

13. (a) Has the Applicant, its owners, or any affiliate applied for a permit, license, or certificate to provide telecommunications services in any state other than Texas? If yes, identify the state(s) and fully explain.
 - (b) Has the Applicant, its owners, or any affiliate ever had a permit, license, or certificate to provide telecommunications services granted by any state? If yes, identify the state(s) and fully explain.
 - (c) Has the Applicant, its owners, or any affiliate ever had any permit, license, or certificate denied or revoked by any state? If yes, identify the state(s) and fully explain.
 - (d) Has the Applicant, its owners, or any affiliate ever provided telecommunications services in Texas or any other state? If yes, identify the state(s) and fully explain.

- (e) List any telecommunications certifications/authorizations or registrations granted to the Applicant, its parent company, its owners, or any of its affiliates within the State of Texas.
- 14.
- (a) Provide the complaint history and history of regulatory actions taken against the Applicant, its parent company, any affiliated companies, and/or any companies of the owners that are public utilities or that have provided telecommunications services for the past 24 months in other states. The information should include, but not be limited to, the type of complaint, status of the complaint, and the resolution of the complaint.
 - (b) Has the Applicant, its parent company, any affiliated companies, and/or any companies of the owner been notified that it is currently under investigation in Texas or another state or jurisdiction for violation of any deceptive trade or consumer protection law or regulation? If yes, please explain.
 - (c) Provide the number of customers per state (including Texas) for the past 24 months, for the Applicant, its parent company, and/or any affiliates that are providing telecommunications services.
- 15.
- (a) Provide a detailed description of the Applicant's technical qualifications to provide the local exchange service, basic local telecommunications service, and/or switched access service proposed in this Application.
 - (b) If the Applicant plans to rely upon a consultant to meet the technical qualifications requirements, provide the following information: (1) name, address, and phone number of consultant, (2) a copy of the contract between the principals and the consultant, (3) consultant's resume or description of experience, (4) information regarding any professional registrations or certifications, (5) percentage of the consultant's time being contracted, and (6) a list of other telecommunications companies served by the consultant and the percentage of time allotted to each company.
 - (c) Provide a detailed description or individual resumes setting forth the qualifications of the Applicant's key personnel. Descriptions or resumes shall include (1) **Key Personnel Names**, (2) **Applicant Company Titles**, (3) **Detailed Telecommunications Experience**, and (4) **Years of Experience**.
16. Attach a completed Service Quality Questionnaire.

SECTION FOUR – FINANCIAL QUALIFICATIONS

17. If the Applicant is relying on a third party, including a parent, subsidiary, or affiliate company to support its financial ability to provide the services covered by this Application, provide the following information:

- (a) identify the third party;
 - (b) state the third party's relationship to the Applicant; and
 - (c) detail the nature and extent of the reliance.
18. Provide a projected monthly cash-flow forecast for the initial 24-month period following the provision of service by the Applicant. This cash-flow forecast should detail all anticipated revenues and expenses, including operating and marketing expenses. Itemize one-time costs such as the purchase of start-up equipment, and the costs of obtaining an operating certificate from the Commission. Explain any assumptions made in the forecast (revenue-per-customer, sales growth, expense growth) in footnotes.
19. Provide a monthly forecast of the accounts receivable balance anticipated to be carried by the Applicant during the initial 24-month period of service provision.
20. If the Applicant plans to be a facilities-based carrier, provide a 36 month estimate of capital expenditures, a description of the facilities to be installed, and a description of any anticipated financing. Indicate whether or not these capital expenditures are included in the cash-flow forecast provided above. If so, please explain in detail how they were included.
21. Provide evidence of the Applicant's financial qualifications, or the financial qualifications of the third party on which the Applicant is relying, to provide the proposed services. Such evidence should be sufficient to satisfy the financial requirements in PUC Substantive Rule §§26.109 and/or 26.111. Financial instruments that will meet the cash requirements are delineated in PUC Substantive Rule §§ 26.109 and/or 26.111. The Applicant must provide copies of documents from independent sources that demonstrate the Applicant's access to cash or other financial resources. Examples of documentation that may be provided include copies of:
- (a) three recent, consecutive bank statements;
 - (b) an attestation letter of net financial strength from a certified public accountant or investment account manager;
 - (c) audited financial statements;
 - (d) line-of-credit agreements or letters of credit;
 - (e) sworn letters of guaranty from third parties on which the Applicant is relying for financial support; and
 - (f) bank loan approval documents.

22. Applicants that are established business entities shall provide historical financial statements (audited, if available) for the last two years, including income statements, balance sheets, cash-flow statements, and any related footnotes or schedules.
23. If the Applicant is an established business entity, state whether the Applicant, or the third party on which the Applicant is relying for financial support, is currently under the protection of the federal bankruptcy laws or has been under the protection of the federal bankruptcy laws in the past two years. If so, please explain in detail the extent to which the bankruptcy affects the Applicant's financial qualifications.
24. Please provide a summary of any history of bankruptcy, dissolution, merger or acquisition of the applicant or any predecessors in interest for two calendar years immediately preceding this Application.

SECTION FIVE - MISCELLANEOUS

25. Are any owners, directors, officers, or partners in the organization convicted felons? If yes, please explain.
26. OPTIONAL RESPONSE: Provide any additional information that the Applicant believes may be relevant to the Applicant's qualifications to provide the proposed service.

SECTION SIX – RELINQUISHMENT & SERVICE DISCONTINUATION INFORMATION

27. Provide a copy of the customer notification (minimum of 61 days notice) sent to each customer indicating the intent of the Applicant to discontinue service. Notice shall, at a minimum, contain the following information:
 - (a) Approximate date the Applicant intends to discontinue service(s) or operations.
 - (b) Arrangements to transfer customers to carrier of their choice. If no choice is made, provide the carrier of last resort to which the customers' service(s) will be transferred.
 - (c) How and when deposits and credits will be returned to customers. Deposits and credits shall be returned to customers within 60 days of the notification to relinquish certification, or within 30 days of the notification of service(s) discontinuation.
 - (d) A statement that any switchover fees shall be paid by the Applicant for customers to be transferred to the carrier of their choice.

28. Provide a statement that the Applicant shall send a copy of the Application to the Advisory Commission on State Emergency Communications and all affected 9-1-1 entities within 5 days of filing the Application.
29. Provide a statement that the Applicant shall notify the Texas Comptroller's Office, Texas Secretary of State, and the administrator of the Texas Universal Service Fund of its Application within 5 days of filing the Application.
30. Provide a statement that the Applicant shall return deposits and credits to the customers.
31. Provide a statement that the Applicant shall void all interconnection agreements upon Commission approval of an Application to relinquish certification.