

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. P-100, SUB 165

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of)	
Implementation of Subsection (h))	ORDER ALTERING
Price Plans Pursuant to House Bill 1180,)	SUBSECTION (h)
Session Law 2009-238 and House Bill 466,)	REQUIREMENTS FOR CLPs,
Session Law 2010-173)	ADOPTING AN AMENDED CLP
)	CERTIFICATION APPLICATION
)	FORM, AND AMENDING
)	COMMISSION RULES
)	R20-1(a), (b), (c), and (e)

BY THE COMMISSION: On April 8, 2010, the Commission issued its Order Ruling on Motions for Reconsideration in this docket. The April 8, 2010 Order outlined revised Subsection (h) filing requirements for local exchange companies (LECs) and competing local providers (CLPs) as reflected in Appendix A to the Order.

On August 2, 2010, House Bill 466, Session Law 2010-173 was signed into law by Governor Perdue. A copy of Session Law 2010-173 is attached to this Order as Appendix A. Session Law 2010-173 altered Subsection (h) as previously outlined in House Bill 1180, Session Law 2009-238.

By this Order, the Commission is altering the Subsection (h) requirements previously adopted by the Commission in its April 8, 2010 Order to appropriately reflect revisions necessary due to the passage of Session Law 2010-173. A copy of the amended Subsection (h) requirements reflecting Session Law 2010-173 is attached to this Order as Appendix B.

Further in this docket, on March 30, 2010, the Commission issued its Order Concerning Working Group Report. Ordering Paragraph No. 2 of the Order stated that the Public Staff should draft and file a copy of an amended CLP certification application form within 30 days of the date of issuance of the Order for consideration by the Commission. Further, Ordering Paragraph No. 3 stated that the Public Staff should draft and file a copy of a new proposed Rule R20-1(a), (b), (c), and (e) within 30 days of the date of issuance of the Order for consideration by the Commission.

On April 29, 2010, the Public Staff filed clean and redlined versions of: (1) a proposed amended CLP certification application form; and (2) a proposed amended version of Rules R20-1(a), (b), (c), and (e) as requested by the Commission.

The Public Staff noted in its filing that the proposed amended CLP certification application form addresses how a company may file an application for local exchange service certification and a Subsection (h) election at the same time. The Public Staff further noted that, pursuant to the Commission's March 11, 2010 Order in Docket No. M-100, Sub 134, applicants for CLP certification are also directed to provide electronic addresses.

The Public Staff also maintained that the proposed revisions to Rules R20-1(a), (b), (c), and (e) should ensure compliance with the Federal Communications Commission's (FCC's) current rules regarding slamming and any subsequent amendments to such rules.

On May 6, 2010, the Commission issued an Order allowing interested parties an opportunity to comment on the Public Staff's April 29, 2010 filing. No party filed comments on the Public Staff's April 29, 2010 filing.

WHEREUPON, the Commission finds it appropriate to adopt the revised Subsection (h) requirements necessary due to the passage of Session Law 2010-173 as reflected in Appendix B.

Further, the Commission finds it appropriate to adopt the amended CLP certification application form filed by the Public Staff on April 29, 2010, modified to recognize the passage of Session Law 2010-173, which will allow a company to file an application for local exchange service certification and a Subsection (h) election at the same time. A copy of the adopted amended CLP certification application form is attached to this Order as Appendix C, and the new application form is effective as of the date of this Order.

In addition, the Commission finds it appropriate to rescind Commission Rule R20-1(c) and to amend Commission Rules R20-1(a), (b), and (e) as reflected in the Public Staff's April 29, 2010 filing in order to ensure that the North Carolina Rules reflect the FCC's current slamming rules and any subsequent amendments to such rules. A copy of the amended Rules R20-1(a), (b), (c), and (e) is attached to this Order as Appendix D, and the amended Rules are effective as of the date of this Order.

IT IS, THEREFORE, SO ORDERED.

ISSUED BY ORDER OF THE COMMISSION.

This the 5th day of August, 2010.

NORTH CAROLINA UTILITIES COMMISSION

Gail L. Mount

Gail L. Mount, Deputy Clerk

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

SESSION LAW 2010-173
HOUSE BILL 466

AN ACT TO AMEND THE CONSUMER CHOICE AND INVESTMENT ACT OF 2009.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 62-133.5(g) reads as rewritten:

"(g) The following sections of Chapter 62 of the General Statutes shall not apply to local exchange companies subject to price regulation under the terms of subsection (a) of this ~~section~~ section or electing companies subject to alternative regulation under the terms of subsection (h) of this section: G.S. 62-35(c), 62-45, 62-51, 62-81, 62-111, 62-130, 62-131, 62-132, 62-133, 62-134, 62-135, 62-136, 62-137, 62-139, 62-142, and 62-153."

SECTION 2. G.S. 62-133.5(h) reads as rewritten:

"(h) Notwithstanding any other provision of this Chapter, a local exchange company that is subject to rate of return regulation or subject to another form of regulation authorized under this section and whose territory is open to competition from competing local providers may elect to have its rates, terms, and conditions for its services determined pursuant to the plan described in this subsection by filing notice of its intent to do so with the Commission. The election is effective immediately upon filing. A local exchange company shall not be permitted to make the election under this section unless it commits to provide stand-alone basic residential lines to rural customers at rates that are less than or comparable to those rates charged to urban customers for the same service.

(1) Definitions. – The following definitions apply in this subsection:

- a. Local exchange company. – The same meaning as provided in G.S. 62-3(16a).
- b. Open to competition from competing local providers. – Both of the following apply:
 - 1. G.S. 62-110(f1) applies to the franchised area and to local exchange and exchange access services offered by the local exchange company.
 - 2. The local exchange company is open to interconnection with competing local providers that possess a certificate of public convenience and necessity issued by the Commission. The Commission is authorized to resolve any disputes concerning whether a local exchange company is open to interconnection under this section.
- c. Single-line basic residential service. – Single-line residential flat rate basic voice grade local service with touch tone within a traditional local calling area that provides access to available emergency services and directory assistance, the capability to access interconnecting carriers, relay services, access to operator services, and one annual local directory listing (white pages or the equivalent).
- d. Stand-alone basic residential line. – Single-line basic residential service that is billed on a billing account that does not also contain another service, feature, or product that is sold by the local exchange company or an affiliate of the local exchange company and is billed on a recurring basis on the local exchange company's bill.

(2) Beginning on the date that the local exchange company's election under this subsection becomes effective, the local exchange company shall continue to offer stand-alone basic residential lines to all customers who choose to subscribe to that service, and the local exchange company may increase rates



for those lines annually by a percentage that does not exceed the percentage increase over the prior year in the Gross Domestic Product Price Index as reported by the United States Department of Commerce, Bureau of Economic Analysis, unless otherwise authorized by the Commission. With the sole exception of ensuring the local exchange company's compliance with the preceding sentence, the Commission shall not:

- a. Impose any requirements related to the terms, conditions, rates, or availability of any of the local exchange company's stand-alone basic residential lines.
 - b. Otherwise regulate any of the local exchange company's stand-alone basic residential lines.
- (3) Except to the extent provided in subdivision (2) of this subsection, beginning on the date the local exchange company's election under this subsection becomes effective, the Commission shall not do ~~either any~~ of the following:
- a. Impose any requirements related to the terms, conditions, rates, or availability of any of the local exchange company's retail services.
 - b. Otherwise regulate any of the local exchange company's retail services.
 - c. Impose any tariffing requirements on any of the local exchange company's services that were not tariffed as of the date of the election; or impose any constraints on the rates of the local exchange company's services that were subject to full pricing flexibility as of the date of election.
- (4) A local exchange company's election under this subsection does not affect the obligations or rights of an incumbent local exchange carrier, as that term is defined by section 251(h) of the Federal Telecommunications Act of 1996 (Act), under sections 251 and 252 of the Act or any Federal Communications Commission regulation relating to sections 251 and 252 of the Act, nor does it affect any authority of the Commission to act in accordance with federal or State laws or regulations, including those granting authority to set rates, terms, and conditions for access to unbundled network elements and to arbitrate and enforce interconnection agreements.
- (5) A local exchange company's election under this subsection does not prevent a consumer from seeking the assistance of the Public Staff of the North Carolina Utilities Commission to resolve a complaint with that local exchange company, as provided in G.S. 62-73.1.
- (6) A local exchange company's election under this subsection does not affect the Commission's jurisdiction concerning the following:
- a. Enforce federal requirements on the local exchange company's marketing activities. However, the Commission may not adopt, impose, or enforce other requirements on the local exchange company's marketing activities.
 - b. The telecommunications relay service pursuant to G.S. 62-157.
 - c. The Life Line or Link Up programs consistent with Federal Communications Commission rules, including, but not limited to, 47 C.F.R. § 54.403(a)(3), as amended from time to time, and relevant orders of the North Carolina Utilities Commission.
 - d. Universal service funding pursuant to G.S. 62-110(f1).
 - e. Carrier of last resort obligations pursuant to G.S. 62-110.
 - f. The authority delegated to it by the Federal Communications Commission to manage the numbering resources involving that local exchange company.
 - g. Regulatory authority over the rates, terms, and conditions of wholesale services."

SECTION 3. G.S. 62-133.5(i) reads as rewritten:

"(i) ~~To the extent applicable, a~~ A competing local provider authorized by the Commission to do business under the provisions of G.S. 62-110(f1) may also elect to have its rates, terms, and conditions for its services determined pursuant to the plan described in subsection (h) of this section. However, it is provided further that any provisions of subsection

(h) of this section requiring the provision of a specific retail service or impacting the pricing of such service, including stand-alone residence service, shall not apply to competing local providers."

SECTION 4. This act is effective when it becomes law.

In the General Assembly read three times and ratified this the 8th day of July, 2010.

s/ Walter H. Dalton
President of the Senate

s/ Joe Hackney
Speaker of the House of Representatives

s/ Beverly E. Perdue
Governor

Approved 4:11 p.m. this 2nd day of August, 2010

CERTAIN SUBSECTION (H) REQUIREMENTS AFTER SESSION LAW 2010-173

1. Docket Numbers. A Subsection (h) election filing and all future filings pursuant to that election shall be made utilizing the next sequential subdocket of the company for its current price plans. For example, the docket number for AT&T is Docket No. P-55, Sub 1013L. In the case of CLP's or a rate-of-return LEC's election of a Subsection (h) price plan, the docket number will be the next sequential docket pertaining to that company.

2. Election filing requirements. In order for a Subsection (h) election notice to be acceptable, a LEC or a CLP must file a statement under oath that it meets the following necessary conditions which are outlined in G.S. 62-133.5(h). Such LEC or CLP must submit a sworn statement (a) that its territory is "open to competition from competing local providers" within the meaning of the definition set forth in G.S. 62-133.5(h)(1)(d); (b) that it "commits to provide stand-alone basic residential lines to rural customers at rates that are less than or comparable to those rates charged to urban customers for the same service," together with providing a comprehensive list of the its current charges for stand-alone basic residential lines in each of its rural exchanges, an analysis and assessment of whether such rates are comparable, and if not, how such LEC or CLP plans to make such rates comparable; (c) that it "shall continue to offer stand-alone basic residential lines to all customers who choose to subscribe to that service"; and (d) that if it raises rates for stand-alone basic residential lines, it will only "increase rates for those lines annually by a percentage that does not exceed the percentage increase over the prior year in the Gross Domestic Product Price Index (GDP-PI)" as reported by the U.S. Department of Commerce, Bureau of Economic Analysis. Notwithstanding the above, for a CLP's notice to be acceptable, the CLP must file a statement under oath **only** with respect to Paragraph 2(a) above.

3. Annual stand-alone basic residential line GDP-PI statement. Any LEC that has elected to operate under a Subsection (h) price plan shall be required to provide a sworn annual statement to the Commission stating (a) the applicable GDP-PI for the prior year; (b) whether it has raised rates for stand-alone basic residential service; and (c) if so, whether such rates were raised at or below the GDP-PI; and (d) the amount such rates were raised within the various exchanges within its service area. This filing shall be made annually and will be due two weeks prior to the anniversary date of the LEC's Subsection (h) election filing so that the Public Staff will have an opportunity to review it.

4. Access charges, rates, terms, and conditions. The LEC access charges that exist in a LEC's price plan at the time of the Subsection (h) election shall continue to exist with respect to that LEC and are frozen pending a future proceeding on the subject. The access charges of a CLP electing a Subsection (h) price plan are likewise frozen.

APPENDIX C

**APPLICATION FOR A CERTIFICATE OF
PUBLIC CONVENIENCE AND NECESSITY TO OFFER
LOCAL EXCHANGE AND EXCHANGE ACCESS
TELECOMMUNICATIONS SERVICE
AS A COMPETING LOCAL PROVIDER**

To Be Completed by Chief Clerk:

DOCKET No. P-_____, Sub _____

Filing Fee Received \$ _____

Note: To apply for a Competing Local Provider (CLP) Certificate, Applicant must submit a filing fee of \$250.00, payable to N.C. Department of Commerce/Utilities Commission, and the typed original and 9 copies of this document to the North Carolina Utilities Commission at the following address:

Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

The application must be properly completed and correctly verified. If it is not, a copy of the application will be returned to the Applicant, and the application will not be further processed. If the Applicant wishes to continue with the certification process, a correct application must be resubmitted with a new filing fee. The original filing fee will not be returned.

A copy of the completed application must be served on each incumbent Local Exchange Company (LEC) in North Carolina. A service list may be obtained from the Chief Clerk.

Any information which the Applicant claims is “confidential” or constitutes a “trade secret” should be clearly marked as such and filed under “SEAL.” Two copies of the confidential information should be provided.

Falsification of or failure to disclose any information in this application for certification may be grounds for denial of or delay in the award of the certificate requested.

The undersigned certifies to the North Carolina Utilities Commission as follows:

NAME AND CONTACTS

1. **APPLICANT**

(NAME)

(PHYSICAL ADDRESS - STREET, SUITE NUMBER, CITY, STATE, ZIP)

(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

(d/b/a NAME(S))

FOR: QUESTIONS ON THE APPLICATION

(NAME- PRINTED OR TYPED)

(PHYSICAL ADDRESS - STREET, SUITE NUMBER, CITY, STATE, ZIP)

(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

(EMAIL ADDRESS)

(TELEPHONE NUMBER) (FACSIMILE NUMBER)

FOR: GENERAL REGULATORY MATTERS

(NAME- PRINTED OR TYPED)

(PHYSICAL ADDRESS - STREET, SUITE NUMBER, CITY, STATE, ZIP)

(MAILING ADDRESS - IF DIFFERENT FROM ABOVE))

(EMAIL ADDRESS)

(TELEPHONE NUMBER) (FACSIMILE NUMBER)

FOR: COMPLAINT INQUIRIES BY COMMISSION

(NAME- PRINTED OR TYPED)

(PHYSICAL ADDRESS - STREET, SUITE NUMBER, CITY, STATE, ZIP)

(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

(EMAIL ADDRESS)

(TELEPHONE NUMBER)

(FACSIMILE NUMBER)

FOR: REGULATORY FEE PAYMENT

(NAME- PRINTED OR TYPED)

(PHYSICAL ADDRESS - STREET, SUITE NUMBER, CITY, STATE, ZIP)

(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

(EMAIL ADDRESS)

(TELEPHONE NUMBER)

(FACSIMILE NUMBER)

FOR: RESPONSIBILITY FOR NORTH CAROLINA OPERATIONS

(NAME- PRINTED OR TYPED)

(PHYSICAL ADDRESS - STREET, SUITE NUMBER, CITY, STATE, ZIP)

(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

(EMAIL ADDRESS)

(TELEPHONE NUMBER)

(FACSIMILE NUMBER)

FOR: CONTACT BY POTENTIAL RESIDENTIAL SUBSCRIBERS

(NAME- PRINTED OR TYPED)

(PHYSICAL ADDRESS - STREET, SUITE NUMBER, CITY, STATE, ZIP)

(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

(EMAIL ADDRESS)

(TELEPHONE NUMBER)

(FACSIMILE NUMBER)

FOR: CONTACT BY POTENTIAL BUSINESS SUBSCRIBERS (IF DIFFERENT FROM RESIDENTIAL)

(NAME- PRINTED OR TYPED)

(PHYSICAL ADDRESS - STREET, SUITE NUMBER, CITY, STATE, ZIP)

(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

(EMAIL ADDRESS)

(TELEPHONE NUMBER)

(FACSIMILE NUMBER)

FOR: BILLING FOR PSP LINES AND PSP NOTICE REQUIREMENTS

Complete only if the Applicant intends to provide pay telephone service as a Payphone Service Provider (PSP). Provide the information to be used by the serving CLP or local exchange company (LEC) in billing for PSP lines or trunks and by the Applicant in meeting PSP notice requirements:

((NAME- PRINTED OR TYPED)

(PHYSICAL ADDRESS - STREET, SUITE NUMBER, CITY, STATE, ZIP)

(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

(EMAIL ADDRESS)

(TELEPHONE NUMBER)

(FACSIMILE NUMBER)

IDENTITY AND BUSINESS STRUCTURE

2. Type of Organization: (Check as appropriate)

LLC ___ Individual (sole proprietor)
Partnership ___ Limited Partnership (LP)
Corporation ___ Public ___ Private ___ S ___ C

Other: Please Specify

3. Provide the information as specified below for the specific type of organization identified in Item 2.

- a) If a limited liability company, attach a copy of the articles of organization and the operating agreement, marked **Exhibit A**. Also attach a list of members, marked **Exhibit B**. If Applicant was not organized in North Carolina, attach a copy of the certificate of authority to do business in North Carolina, issued by the Secretary of State, marked **Exhibit C**.
- b) If a partnership or limited partnership, attach a copy of the partnership agreement, marked **Exhibit A**. Also attach a list of partners and officers and the percentage of equity interest of each, marked **Exhibit B**, and give names, positions and addresses of the principal officers.
- c) If a corporation, attach copy of the articles of incorporation and all amendments, if any, marked **Exhibit A**. Also attach a list of all directors and principal stockholders with the number of shares held by each, marked **Exhibit B**, and give names, positions and addresses of the principal corporate officers.
- d) If a corporation, state and date of incorporation: State: ___ Date: _____. If Applicant was not organized in North Carolina, attach a copy of the certificate of authority to do business in North Carolina, issued by the Secretary of State, marked **Exhibit C**.

4. If an office is not maintained in North Carolina, please provide the name and address of Applicant's agent for service of process in North Carolina.

5. If any individuals, directors, partners, officers, or members are affiliated with (i.e., own at least a 10% interest in or serve as directors, partners, or members of) any other telecommunications company, provide, as **Exhibit D**, a list of the company(ies) and a description of the affiliation.

6. If the Applicant has a parent, affiliate(s) or subsidiary(ies), provide an organizational chart as **Exhibit E** which identifies each entity and its relationship to the Applicant.

FINANCIAL CAPABILITY

7. Provide an SEC 10K or audited financial statements for the most recent twelve months, marked as **Exhibit F**. If neither is available, provide Items (a) and (b) below. Item (c) must be provided if the Applicant is relying on a parent company or equity partner for its financial resources.
 - a) Provide a current Balance Sheet, marked as **Exhibit F**.
 - b) Provide an Income Statement, marked as **Exhibit F**, reflecting current and prior year balances for the twelve months ended as of the date of the Balance Sheet, or, if more readily available, for the period since the close of the preceding calendar year.
 - c) Provide the parent company's or equity partner's financial information as listed in this item (SEC 10K or audited financial information; or balance sheet and income statement), marked as **Exhibit F1** or **Exhibit F2** and **F3**, respectively, and a letter of commitment, marked as **Exhibit F4**, signed by an officer of the parent company or equity partner.
8. If the information in Item 7 is not available, please provide the information below. Applicants may file the appropriate portions of their plans and forecasts if they are sufficiently similar to the items below rather than generating new documents.
 - a) Annual projected income statement and statement of projected cash flows for each year until net cash is provided by the operating activities of the applicant or three years, whichever period is longer, as **Exhibit G1**.
 - b) Detailed description of the assumptions for each item reflected in the projected income statement and cash flow statement. The description should provide information on key assumptions, including, but not limited to: number of customers, payroll costs, the number of persons employed (including independent contractors), and sources of external funds (banks, investors) as **Exhibit G2**.
 - c) Narrative description of the applicant's plan(s) for achieving the projected cash flow amounts set forth in the statement of projected cash flows above as **Exhibit G3**.
 - d) Commitment letters, letters of intent, etc. from lenders and investors to provide funds through the first 12 months of operations as **Exhibit G4**.

EXPERIENCE AND MANAGERIAL CAPABILITY

9. a. Please list all states in which the Applicant or any of its affiliates have been authorized to operate and the name under which authority is held, and describe the services offered in those states.

- b. Please list all states in which the Applicant or any of its affiliates have been denied authority to operate, and the name under which authority was held or requested, and explain the reason for such denial.

- c. Please list all instances in which the Applicant has been penalized for slamming, cramming or providing inadequate service and explain each instance.

- d. If the Applicant is a newly created entity, list the experience of each principal officer, manager, or managing partner and provide other documentation in order to show that person's managerial and technical ability to provide services. Mark this documentation as **Exhibit H**.

PROPOSED SERVICE

10. Please described the proposed geographic area or areas to be served.

11. Please state the types of local exchange and exchange access services to be provided.

COMPLIANCE

12. Yes No In accordance with Commission Rule R17-2((b)(7), has the application been served on each of the LECs that provide local exchange service in North Carolina?
13. In accordance with Commission Rule R17-2(f), is the Applicant willing, either directly or through arrangements with other carriers, to provide as a condition to certification:
- a) Yes No Access to emergency service and access to services for the hearing and speech impaired?
 - b) Yes No Access to local and long distance directory assistance and provision of local telephone directories to end-users?
 - c) Yes No Access to operator services?
 - d) Yes No Access to all standard dialing patterns to all interLATA and intraLATA long distance carriers, including 1+ and 0+ access to the customer's carrier of choice for interLATA and intraLATA long distance calls, using a full 2-PIC methodology, as further described in 47 CFR 51.209 and Commission Rule R17-7?
 - e) Yes No Compliance with basic service standards as defined in any applicable rules and decisions of the Commission?
 - f) Yes No Free blocking of 900- and 976-type services and other pay-per-call services, including but not limited to calls to 700 and 800 numbers, for which charges are made by the service provider and billed by the Applicant?

- g) Yes No Free per-call and per-line blocking in accordance with the Orders of the Commission applicable to LECs, and to advise subscribers by insert or direct mailing of the availability of these free features at least once per year?
- h) Yes No Number portability where technically and economically feasible?
14. Yes No Does the Applicant intend to offer prepaid local exchange service as defined by the Commission in R17-1, either now or in the future? If yes, please answer questions 14(a) through 14(b).
- a) Yes No Does the Applicant understand and agree to the terms and conditions specified in Commission Rule R17-6 in the provision of prepaid local exchange service?
- b) Yes No Does the Applicant understand that the exemption from a portion of the requirements of Commission Rule R17-2(f) would apply only in the provision of prepaid local exchange service(s), and that the Applicant must abide by all parts of Commission Rule R17-2(f) in the provision of any other basic local exchange service(s)?
15. Yes No Does the Applicant agree to abide by all applicable statutes, and all applicable Orders, rules and regulations entered and adopted by the North Carolina Utilities Commission?
16. Yes No Does the Applicant plan to employ agents of any type, including independent sales agents, in offering its intrastate services? If yes, please answer questions 16(a) and 16(b).
- a) Yes No Does the Applicant understand that its agents must make it clear to prospective customers that they are only marketing the Applicant's services rather than offering service themselves?
- b) Yes No Does the Applicant understand it is responsible for ensuring that its agents comply with the Commission's rules and regulations?
17. Yes No Does the Applicant agree to provide support for universal service in a manner determined by the Commission?

18. Yes No Does the Applicant understand and agree to abide by Commission Rule R9-8 and Commission Rules R12-1 through R12-9?
19. Yes No Does the Applicant agree to maintain its books of account in accordance with Generally Accepted Accounting Principles (GAAP)?
20. Yes No Does the Applicant agree to file by the 15th day of each month a report with the Chief Clerk of the North Carolina Utilities Commission reflecting the total number of local access lines subscribed to at the end of the preceding month, listing separately for business and residential service, the number of local access lines that are providing prepaid local exchange service and the number of lines providing traditional local exchange telephone service in each respective geographic area that the Applicant serves?
21. Yes No Does the Applicant agree to participate in the telecommunications relay service in accordance with G.S. 62-157 and applicable orders, rules and regulations entered and adopted by the Commission?
22. Yes No Does the Applicant agree to be subject to the provisions of Chapter 62A of the General Statutes, the Public Safety Telephone Act, regarding emergency 911 service, applicable to service providers?
23. Yes No Does the Applicant understand and agree to abide by all applicable provisions adopted by the Commission for disconnection, partial payments, global toll denial, nonregulated charges, 900 and similar charges, treatment of stale debts, and disconnect notices and billing statements, as set forth in Commission Rule R12-17?
24. Yes No Does the Applicant agree to offer billing services for intrastate long distance calls only to long distance carriers certified by the Commission or to clearinghouses acting on behalf of certified long distance carriers? Please note that the name of the service provider shall be clearly stated on each page of the bill, and a contact telephone number for questions on the service shall appear on the bill. If billing is done through a clearinghouse, the name of the clearinghouse shall also appear on each page of the bill.

25. Yes No Will the Applicant give a notice by bill insert or direct mailing to all affected customers at least 14 days before any public utility rates are increased and before any public utility service offering is discontinued? Please note that notice of a rate increase shall include, at a minimum, the effective date of the rate change, the existing rates and the new rates.
26. Yes No Does the Applicant agree not to apply usage charges and per-call rates for switched local exchange services unless the call is answered? Please note that timing of a call shall not begin until the call is answered and shall end when either the calling party or the answering party disconnects.
27. Yes No Does the Applicant intend to offer pay telephone service? If so, please note that the provisions of Commission Rule R13, with the exception of Commission Rule R13-3(a), (b) and (c), shall apply to the offering of pay telephone service by a CLP. A CLP has the authority by virtue of its CLP certificate to offer both non-automated collect and automated collect service under the provisions of Commission Rule R13. When the term COCOT or PSP Certificate Number is referred to in Commission Rule R13, the docket number in which the CLP was certified shall be utilized, and when the term COCOT certificate, PSP certificate, or certificate, is referred to in Commission Rule R13, the CLP certificate shall be used.
28. Yes No Does the Applicant agree to be responsible for payment of the regulatory fee in accordance with G.S. 62-302 and Commission Rule R15?
29. Yes No Does the Applicant agree to notify the Commission, of any change in its (1) address, either physical or mailing, (2) Commission contacts, or (3) name under which the Applicant does business (d/b/a) within thirty (30) days of the effective date of any such change by mailing a notice of such change to the address shown on page 1 of this application?
30. Yes No Does the Applicant elect regulation under G.S. 62-133.5(h)? If so, the Applicant must comply with the "CERTAIN SUBSECTION (H) REQUIREMENTS AFTER SESSION LAW 2010-173" as set forth in Appendix B of the Commission's August 5, 2010 Order in Docket No. P-100, Sub 165.

(SIGNATURE)

(TITLE)

(NAME - PRINTED OR TYPED)

(DATE)

VERIFICATION

STATE OF _____ COUNTY OF _____

_____, personally appeared before me this day and, being first duly sworn, says that the facts stated in the foregoing application and any exhibits, documents, and statements thereto attached are true as he or she believes.

WITNESS my hand and notarial seal, this _____ day of _____, 20____.

My Commission Expires: _____

Signature of Notary Public

Name of Notary Public – Type or Printed

Note to Notary: See verification requirements under “Completing the CLP Application” on the next page.

COMPLETING THE CLP APPLICATION

1. This application is to be used to apply for a Certificate of Public Convenience and Necessity from the North Carolina Utilities Commission which, when granted, will authorize the holder to provide local exchange and local exchange access services as a **Competing Local Provider (CLP)** in the State of North Carolina. Applications for authority to provide other types of service must be filed in accordance with other Commission regulations.

2. The spaces in the shaded block on page 1 will be completed by the Chief Clerk when the application is received at the Commission's offices. The remainder of the application is to be completed by the Applicant and verified before a notary public.

3. Company Identity.

(a) The name of the Applicant must be the real name, as distinguished from a trade name or assumed name (d/b/a), of the individual, partnership, limited liability company or corporation applying for certification. If the Applicant is operating or intends to operate under a d/b/a in North Carolina, that name should also be provided in this application.

(b) If the Applicant intends to operate under a name other than the exact name that appears on the partnership agreement, articles of organization, articles of incorporation, or a name other than its real name, this must be a name that has been certified according to G.S. 66-68.

4. Signature.

This block in the verification is for the signature of the Applicant's responsible party: the individual or sole proprietor, one of the general partners, one of the members or managers of the limited liability company, or an officer of the corporation. The title of the responsible party must be specified, e.g., sole proprietor, general partner, member, president.

5. Verification.

A verification page is provided in the application. The name of the person who completes and signs the application must be typed or printed by the notary in the space provided in the verification. The notary's name must be typed or printed below the notary's seal. The verification must be affixed to the original and each of the 9 copies.

6. The following is a list of exhibits which may be required for a successful application. See the body of the form for further instruction on which exhibits are required for your particular case.

LIST OF EXHIBITS

- EXHIBIT A:** If a limited liability company, attach a copy of the articles of organization and the operating agreement; if a partnership or limited partnership, attach a copy of the partnership agreement; if a corporation, attach copy of the articles of incorporation and all amendments, if any.
- EXHIBIT B:** If a limited liability company, attach a list of members; if a partnership or limited partnership, attach a list of partners and officers and the percentage of equity interest of each; if a corporation, attach a list of all directors and principal stockholders with the number of shares held by each, and the names, titles, and addresses of the principal corporate officers.
- EXHIBIT C:** If a limited liability company or corporation and not organized in North Carolina, attach a copy of the **certificate of authority to do business** in North Carolina, issued by the Secretary of State.
- EXHIBIT D:** If Applicant has directors, partners, officers, or members affiliated with any other telecommunications company, attach a list of the companies and a description of the affiliation.
- EXHIBIT E:** If Applicant has a parent, affiliate(s) or subsidiary(ies), provide an **organizational chart** which identifies each entity and its relationship to the Applicant.
- EXHIBIT F:** Applicant's most recent **annual report to stockholders**, most recent **SEC 10k**, or **audited financial statements** for the most recent twelve months; or a current **Balance Sheet** and an **Income Statement** reflecting current and prior year balances for the twelve months ended as of the date of the Balance Sheet or, if more readily available, for the period since the close of the preceding calendar year;
- EXHIBIT F1:** The parent company's or equity partner's most recent **annual report to stockholders**, most recent **SEC 10k** or **audited financial statements** for the most recent twelve months;
- EXHIBIT F2:** A current **Balance Sheet** for a parent company or equity partner;
- EXHIBIT F3:** An **Income Statement** for a parent company or equity partner reflecting current and prior year balances for the twelve months ended as of the date of the **Balance Sheet** or, if more readily available, for the period since the close of the preceding calendar year;

- EXHIBIT F4:** A letter of commitment from a parent company or equity partner for financial resources if Applicant is relying on such a commitment.
- EXHIBIT G1:** Annual projected income statement and statement of projected cash flows for each year until net cash is provided by the operating activities of the applicant or three years, whichever period is longer.
- EXHIBIT G2:** Detailed description of the assumptions for each item reflected in the projected income statement and cash flow statement. The description should provide information on key assumptions, including, but not limited to: number of customers, payroll costs, the number of persons employed (including independent contractors), and sources of external funds (banks, investors).
- EXHIBIT G3:** Narrative description of the applicant's plan(s) for achieving the projected cash flow amounts set forth in the statement of projected cash flows (**EXHIBIT G1**).
- EXHIBIT G4:** Commitment letters, letters of intent, etc. from lenders and investors to provide funds through the first 12 months of operations.
- EXHIBIT H:** If the Applicant is a newly created entity, a description of the experience of each principal officer, manager, or managing partner and any other documentation which would demonstrate managerial and technical ability.
- EXHIBIT I:** If the Applicant is electing regulation under G.S. 62-133.5(h), an election filing in accordance with the "CERTAIN SUBSECTION (H) REQUIREMENTS AFTER SESSION LAW 2010-173" set forth in Appendix B of the Commission's August 5, 2010 Order in Docket No. P-100, Sub 165.

APPENDIX D

Rule R20-1. Slamming, cramming and related abuses in the marketing of telecommunications services.

(a) No telecommunications provider shall submit, or cause to be submitted, a change order for preferred intraLATA interexchange carrier, interLATA interexchange carrier or local exchange carrier to any telecommunications company except in accordance with the procedures required by the current regulations of the Federal Communications Commission.

(b) If the Commission determines that a telecommunications provider has submitted, or caused to be submitted, a change order and cannot demonstrate that it has complied with subsection (a), the Commission shall make available to the customer the remedies authorized by the current regulations of the Federal Communications Commission, with respect to both interstate and intrastate service, and for this purpose the customer's authorized carrier may be made a party to the proceeding.

(c) (Reserved for future use.)

...

(e) Any telecommunications provider's telemarketing, direct mail or other forms of solicitation to change a customer's preferred local exchange carrier, intraLATA interexchange carrier, or interLATA interexchange carrier shall comply with the current regulations of the Federal Communications Commission regarding separate letters of authorization.