

**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**

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(NAME)

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

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(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

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(d/b/a NAME(S))

**FOR: QUESTIONS ON THE APPLICATION**

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(NAME- PRINTED OR TYPED)

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

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(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

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(TELEPHONE NUMBER) (FACSIMILE NUMBER)

**FOR: GENERAL REGULATORY MATTERS**

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(NAME- PRINTED OR TYPED)

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

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(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

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(TELEPHONE NUMBER) (FACSIMILE NUMBER)

**FOR: COMPLAINT INQUIRIES BY COMMISSION**

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(NAME- PRINTED OR TYPED)

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

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(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

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(TELEPHONE NUMBER)

(FACSIMILE NUMBER)

**FOR: REGULATORY FEE PAYMENT**

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(NAME- PRINTED OR TYPED)

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

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(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

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(TELEPHONE NUMBER)

(FACSIMILE NUMBER)

**FOR: RESPONSIBILITY FOR NORTH CAROLINA OPERATIONS**

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(NAME- PRINTED OR TYPED)

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

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(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

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(TELEPHONE NUMBER)

(FACSIMILE NUMBER)

**FOR: CONTACT BY POTENTIAL RESIDENTIAL SUBSCRIBERS**

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(NAME- PRINTED OR TYPED)

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

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(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

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(TELEPHONE NUMBER)

(FACSIMILE NUMBER)

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

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(NAME- PRINTED OR TYPED)

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

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(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

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(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:

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(NAME- PRINTED OR TYPED)

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

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(MAILING ADDRESS - IF DIFFERENT FROM ABOVE)

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(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.

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- 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.

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

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- 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 15<sup>th</sup> 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?

\_\_\_\_\_  
(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 - Typed 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.