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215 SOUTH MONROE STREET
2ND FLOOR
TALLAHASSEE, FLORIDA 32301

(850) 222-3533
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REPLY TO:
P.O. BOX 10095
TALLAHASSEE, FL 32302-2095

May 14, 1998

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Boulevard
Gunter Building
Tallahassee, Florida 32399-0850

980677-TI

Re: Application for Authority to Provide Interexchange
Telecommunications Service Within the State of Florida

Dear Sir/Madam:

Enclosed please find an original application for Authority to Provide Interexchange Telecommunications Service Within the State of Florida, six copies and a check in the amount of \$250.00 for the application fee. You will also find a copy of this letter enclosed. Please date-stamp this copy to indicate that the original was received and return a copy to me.

If you have any questions regarding this matter, please feel free to contact me. Thank you for your assistance in processing this filing.

Respectfully,


Barbara D. Auger

BDA/kab

Enclosures: As noted

RECEIVED
Florida Public
Service Commission
53 MAY 21 PM 4:35
MAILROOM

DOCUMENT NUMBER-DATE

05683 MAY 22 88

FPSC-RECORDS/REPORTING

**** FLORIDA PUBLIC SERVICE COMMISSION ***

DIVISION OF COMMUNICATIONS
BUREAU OF SERVICE EVALUATION

APPLICATION FORM
for
AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICE
WITHIN THE STATE OF FLORIDA

Instructions

- A. This form is used for an original application for a certificate and for approval of sale, assignment or transfer of an existing certificate. In case of a sale, assignment or transfer, the information provided shall be for the purchaser, assignee or transferee (See Appendix A).
- B. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
- C. Use a separate sheet for each answer which will not fit the allotted space.
- D. If you have questions about completing the form, contact:
- E. 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 Communications
Bureau of Service Evaluation
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6600

Florida Public Service Commission
Division of Administration
2540 Shumard Oak Blvd.
Gunter Building
Tallahassee, Florida 32399-0850
(904) 413-6251

FORM PSC/CMU 31 (11/95)
Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

DOCUMENT NUMBER-DATE

05683 MAY 22 88

FPSC-RECORDS/REPORTING

DEPOSIT

DATE

D779 -

MAY 22 1998

2. This is an application for (check one):
- Original Authority (New company).
 - Approval of Transfer (To another certificated company).
 - Approval of Assignment of existing certificate (To an uncertificated company).
 - Approval for transfer of control (To another certificated company).
3. Name of corporation, partnership, cooperative, joint venture or sole proprietorship:
KNOLOGY of Florida, Inc.
4. Name under which the applicant will do business (fictitious name, etc.):
5. National address (including street name & number, post office box, city, state and zip code).
PO Box 510
West Point, GA 31833
6. Florida address (including street name & number, post office box, city, state and zip code):
13200 Panama City Beach Parkway
Panama City Beach, FL 32407
7. Structure of organization;
- Individual Corporation
 - Foreign Corporation Foreign Partnership
 - General Partnership Limited Partnership
 - Other, _____
8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners. Not applicable; Applicant's structure is a Corporation.
(a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.
Not applicable; Applicant's structure is a Corporation.
(b) Indicate if the individual or any of the partners have previously been:

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FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2). DOCUMENT NUMBER-DATE

05683 MAY 22 88

FPSC-RECORDS/REPORTING

1. Select what type of business your company will be conducting (check all that apply):

- (X) Facilities based carrier - company owns and operates or plans to own and operate telecommunications switches and transmission facilities in Florida.
- (X) 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 Reseller - 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 the 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.

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 - Approval for transfer of control (To another certificated company).
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 - Other, _____
8. If applicant is an individual or partnership, please give name, title and address of sole proprietor or partners. Not applicable; Applicant's structure is a Corporation.
(a) Provide proof of compliance with the foreign limited partnership statute (Chapter 620.169 FS), if applicable.
Not applicable; Applicant's structure is a Corporation.
(b) Indicate if the individual or any of the partners have previously been:

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

Not applicable; Applicant's structure is a Corporation

(2) 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.

Not applicable; Applicant's structure is a Corporation

9. If incorporated, please give:

(a) Proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: 580206

(b) Name and address of the company's Florida registered agent. Corporation Service Company
1201 Hays Street
Tallahassee, FL 32301-2607

(c) Provide proof of compliance with the fictitious name statute (Chapter 865.09 FS), if applicable.

Not applicable

Fictitious name registration number: _____

(c) Indicate if any of the officers, directors, or any of the ten largest stockholders have previously been:

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

See Attachment one' 9.c.1

(2) 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 Attachment one; 9.c.2

10. Who will serve as liaison with the Commission in regard to (please give name, title, address and telephone number):

- (a) The application; Bruce Schoonover, Jr.
Director of Business Development
KNOLOGY HOLDINGS, Inc.
PO Box 510, West Point, GA 31833
- (b) Official Point of Contact for the ongoing operations of the company;
Same as above

(c) Tariff;

Same as above

(d) Complaints/Inquiries from customers;

Weldon Feightner
KNOLOGY of Florida, Inc.

13200 Panama City Beach Parkway, Panama City
11. List the states in which the applicant: Beach, FL 32407

- (a) Has operated as an interexchange carrier.
Alabama, Georgia
- (b) Has applications pending to be certificated as an interexchange carrier.
South Carolina
- (c) Is certificated to operate as an interexchange carrier.
Alabama, Georgia
- (d) Has been denied authority to operate as an interexchange carrier and the circumstances involved.
None
- (e) Has had regulatory penalties imposed for violations of telecommunications statutes and the circumstances involved.
None
- (f) Has been involved in civil court proceedings with an interexchange carrier, local exchange company or other telecommunications entity, and the circumstances involved.

None

12. What services will the applicant offer to other certificated telephone companies:

- Facilities. Operators.
 Billing and Collection. Sales.
 Maintenance.
 Other: NONE

13. Do you have a marketing program? Yes

14. Will your marketing program:

- Pay commissions?
 Offer sales franchises?
 Offer multi-level sales incentives?
 Offer other sales incentives?

15. Explain any of the offers checked in question 14 (To whom, what amount, type of franchise, etc.).

The marketing programs will be offered to KNOLOGY sales representatives. The details of the programs have not yet been developed.

16. Who will receive the bills for your service (Check all that apply)?

- Residential customers. Business customers.
 PATS providers. PATS station end-users.
 Hotels & motels. Hotel & motel guests.
 Universities. Univ. dormitory residents.
 Other: (specify) _____.

17. Please provide the following (if applicable):

- (a) Will the name of your company appear on the bill for your services, and if not who will the billed party contact to ask questions about the bill (provide name and phone number) and how is this information provided?

Company's name will appear on the bill

- (b) Name and address of the firm who will bill for your service.

18. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide interexchange telecommunications service in Florida.

A. Financial capability.

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements for the most recent 3 years, including:

1. the balance sheet
2. income statement
3. statement of retained earnings.

Further, a written explanation, which can include supporting documentation, regarding the following should be provided to show financial capability.

1. Please provide documentation that the applicant has sufficient financial capability to provide the requested service in the geographic area proposed to be served.
2. Please provide documentation that the applicant has sufficient financial capability to maintain the requested service.
3. Please provide documentation that the applicant has sufficient financial capability to meet its lease or ownership obligations.

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.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability.

C. Technical capability.

19. Please submit the proposed tariff under which the company plans to begin operation. Use the format required by Commission Rule 25-24.485 (example enclosed).
20. The applicant will provide the following interexchange carrier services (Check all that apply):

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

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

MTS with statewide flat rates per minute (i.e. not distance sensitive)
 Method of access is FGA
 Method of access is FGB
 Method of access is FGD
 Method of access is 800

MTS for pay telephone service providers

Block-of-time calling plan (Reach out Florida, Ring America, etc.).

800 Service (Toll free)

WATS type service (Bulk or volume discount)
 Method of access is via dedicated facilities
 Method of access is via switched facilities

Private Line services (Channel Services)
(For ex. 1.544 mbs., DS-3, etc.)

Travel Service
 Method of access is 950
 Method of access is 800

900 service

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

Services included are:

Station assistance
 Person to Person assistance
 Directory assistance
 Operator verify and interrupt
 Conference Calling

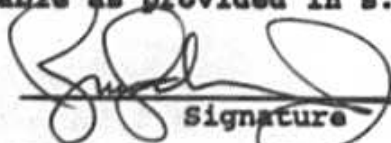
21. What does the end user dial for each of the interexchange carrier services that were checked in services included (above).

22. Other:

**** APPLICANT ACKNOWLEDGEMENT STATEMENT ****

1. **REGULATORY ASSESSMENT FEE:** I understand that all telephone companies must pay a regulatory assessment fee in the amount of .15 of one percent of 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:** A non-refundable application fee of \$250.00 must be submitted with the application.
5. **RECEIPT AND UNDERSTANDING OF RULES:** I acknowledge receipt and understanding of the Florida Public Service Commission's Rules and Orders relating to my provision of interexchange telephone service in Florida. I also understand that it is my responsibility to comply with all current and future Commission requirements regarding interexchange service.
6. **ACCURACY OF APPLICATION:** By my signature below, I the undersigned owner or officer of the named utility in the application, attest to the accuracy of the information contained in this application and associated attachments. I have read the foregoing and declare that to the best of my knowledge and belief, the information is a true and correct statement.
Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

UTILITY OFFICIAL:


Signature

5/14/98
Date

Bruce Schoonover, Jr.

Director - Business Development

706-645-3966

Title

Telephone No.

FORM PSC/CMU 31 (11/95)

Required by Commission Rule Nos. 25-24.471, 25-24.473, and 25-24.480(2).

**Attachment to IXC Application
For KNOLOGY of Florida, Inc.**

Managerial Capability

William E. Morrow has been President, Chief Executive Officer and Director of the Company since February 1997. Prior to joining the Company, from August 1996 to February 1997, Mr. Morrow served as Senior Vice President and General Manager of Network Alliances for UtiCom Networks. Prior to that time, Mr. Morrow served in various capacities at Central and South West Corp. from March 1985 to August 1996, including Marketing, Area Management, Governmental/ Regulatory Lobbyist, Ventures/ Business Development and Founder and Managing Director of CSW Communications ("CSW") from December 1993 to August 1996. While at CSW Communications, Mr. Morrow oversaw the company's energy management services over a 750 MHz two-way broadband network, the construction, maintenance, operation and marketing of long-haul fiber capacity, and the design, construction, operation and marketing of competitive access services.

James K. McCormick joined KNOLOGY Holdings, Inc. as Chief Financial Officer and Secretary in September 1997. Prior to joining the Company, from November 1992 to September 1997, Mr. McCormick was Treasurer and Corporate Controller of United Dairy Farmers, Inc. ("UDF"), a retailer/ manufacturer operating in seven Midwestern states. While at UDF, Mr. McCormick managed the employment practices, inventory management, cash management, capital allocation, accounting and financial reporting functions. Mr. McCormick also served as Director of Finance at American Sign and Marketing Services, Inc. from June 1991 until November 1992. Prior to that time, Mr. McCormick served in various capacities at Andersen Worldwide. From February 1989 until January 1991, he served as consulting manager in the Strategic Services Division of Andersen Consulting's Melbourne, Australia office and from October 1984 to January 1989, he served as Senior Auditor, Emerging Business Division at Arthur Andersen LLP.

Marcus R. Luke, Ph.D. has served as Chief Technology Officer of the Company since August 1997. Prior thereto, he served as Vice President of Network Construction of the Company, since November 1995, and Director of Engineering of Cybernet Holding, L.L.C., from May 1995 until November 1995. Prior to joining the Company, Dr. Luke served as Southeast Division Construction Manager for TCI from July 1993 to May 1995. From July 1987 to June 1993, he served as Area Technical Manager for TCI's southeast area, which included Montgomery. Dr. Luke worked for Storer Communications Inc. from 1985 to 1987 as Vice President of Engineering. Prior to 1985, he spent 12 years in various engineering and management positions with Storer Communications Inc.

Felix L. Boccucci, Jr. has served as the Vice President of Business Development of the Company since August 1997 and served as Chief Financial Officer, Treasurer and Secretary of the Company from November 1995 through August 1997. From October

1994 until December 1995, Mr. Boccucci served as Vice President Finance Broadband of ITC Holding. Prior to such time, Mr. Boccucci worked for GTE Corporation ("GTE"), a telecommunications company, which merged with Contel Corporation ("Contel") in March 1991. From May 1993 to October 1994, he served as a Senior Financial Analyst for GTE. From 1991 to 1993, Mr. Boccucci served as Financial Director for GTE's Central Area Telephone Operations. From 1987 to 1991, he was the controller in charge of Contel's Eastern Region Telephone Operations comprising 13 companies in twelve states.

Bret T. McCants has been Vice President of Construction and Maintenance Services since May 1997. Prior to joining the Company, Mr. McCants served as Director of Operations for CSW from January 1994 to April 1997. From January 1992 to January 1994, he served as Corporate Commercial Marketing Manager at Central Power & Light.

Taylor E. Nipper joined the Company as Director of Marketing in October 1995, and was Vice President of Operations from October 1996 through April 1997 and has been Vice President of Marketing since May 1997. Mr. Nipper has held a variety of marketing positions in the cable television industry since 1983. From October 1992 until July 1995, he served as Corporate Marketing and Sales Manager for Vision Cable Communications ("Vision Cable") and directly managed marketing and sales for fourteen cable markets serving over 500,000 customers and directed the company's launch of Primestar DBS service. From October 1990 until October 1992, Mr. Nipper served as Manager of Pay Per View and New Business Development for Vision Cable's 130,000 subscriber system in Pinellas, Florida. Mr. Nipper also was the Vice President Sales for First Southern Cable Group, an independent cable marketing company, from April 1985 to October 1990.

Attachment to IXC Application For KNOLOGY of Florida, Inc.

Financial Capability

As of November 30, 1997 KNOLOGY Holdings, Inc had cash and cash equivalents of \$249,463,546. These funds were raised as part of a debt and equity offering in October of 1997. The debt is due in 2007. The cash will be used for the continuing development of KNOLOGY's interactive broadband network.

Technical Capability

The Company's Interactive Broadband Networks are high-capacity, two-way interactive, hybrid fiber-coaxial networks with a 750 MHz signal (designed to allow upgrades to 1,000 MHz). Each network includes hub sites with a minimum of four fiber pairs running from each hub to nodes, each of which serves an average of 500 homes. This design incorporates redundant fibers running between hubs for restoration and security purposes, forming a SONET ring. By comparison, most traditional cable television systems are 450 MHz to 550 MHz and do not have significant redundancy protection. The Company provides power to its system from the hub sites each of which is equipped with a generator and uninterruptible power source ("UPS") to allow service to continue in case of power outage. For each of the Broadband Services to be offered, the Company has added electronic equipment at various hub sites and cards in various electronic housings along the network.

Local telephone service is offered over the Company's Interactive Broadband Networks in much the same way local phone companies provide service, since the network structure includes a return path suitable for voice transmission. To provide local telephone service, the Company provides switching services and installs a network interface box outside the customer's home, and may, depending on the location of telephone and cable boxes or "jack" inside the home, add inside wiring as well. The Company can offer multiple lines of telephone service using its Interactive Broadband Networks. The Company's networks are interconnected with those of other local phone companies through a nine-state interconnection agreement with BellSouth.

Name Changes

Applicant is a Delaware corporation incorporated under the name Cybernet Holding, Inc. on November 3, 1995. Its corporate name was changed to KNOLOGY Holdings, Inc. in June, 1997. The following companies are wholly-owned subsidiaries of KNOLOGY Holdings, Inc.

1. KNOLOGY of Alabama (formerly KNOLOGY of Montgomery)
2. KNOLOGY of Georgia (formerly KNOLOGY of Columbus)
3. KNOLOGY of Florida (formerly KNOLOGY of Panama City)

980677-TT

DEPOSIT DATE
D779 - MAY 23 1998

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P.O. BOX 10095
TALLAHASSEE, FLORIDA 32302

NationsBank
Member Bank of Florida, N.A.
TALLAHASSEE, FLORIDA 32301

018912

63-27/631 NO. DATE VENDOR NO.
018912 05/20/98 002002

PAY
TWO HUNDRED FIFTY AND 00/100 DOLLARS*****

AMOUNT
*****250.00

TO THE ORDER OF
Public Service Commission
Gunter Building
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

OPERATING ACCOUNT

Cynthia S. Tunniff

DOCUMENT NUMBER - 05683 MAY 22 1998
REC-RECORDS/REPORTING