

STEEL
HECTOR
& DAVIS

REGISTERED LIMITED LIABILITY PARTNERSHIP

Steel Hector & Davis LLP
215 South Monroe, Suite 601
Tallahassee, Florida 32301-1804
850.222.2300
850.222.8410 Fax
www.steelhector.com

October 29, 1999

Charles A. Guyton
850.222.3423

RECORDS AND REPORTING

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Blanca S. Bayó, Director
Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard, Room 110
Tallahassee, Florida 32399-0850

Re: Request for approval of transfer of ownership of Interpath Communications, Inc. From Carolina Power & Light Company to CP&L Holdings, Inc.

991658-74

Dear Ms. Bayó:

Enclosed for filing on behalf Interpath Communications, Inc., Carolina Power & Light Company, and CP&L Holdings, Inc. are the original and fifteen (15) copies of Joint Application of Interpath Communications, Inc., Carolina Power & Light Company, and CP&L Holdings, Inc. for Approval of Ownership Transfer of Interpath Communications, Inc. from Carolina Power & Light Company to CP&L Holding, Inc.

If you or your Staff have any questions regarding this filing, please contact me.

Very truly yours,

Charles A. Guyton
Charles A. Guyton

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São Paulo Rio de Janeiro
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of transfer of ownership of Interpath Communications, Inc. (holder of IXC Certificate No. 7058 and ALEC Certificate No. 7038) from Carolina Power & Light Company to CP&L Holdings, Inc.) Docket No. Filed: October 29, 1999

Joint Application of Interpath Communications, Inc., Carolina Power & Light Company, and CP&L Holdings, Inc. For Approval of Ownership Transfer of Interpath Communications, Inc. From Carolina Power & Light Company to CP&L Holding, Inc.

Pursuant to Section 364.33, Florida Statutes (1997) and Florida Administrative Code Rules 25-22.036(3), 28-106.104, 28-106.201 and 28-106.301, Interpath Communications, Inc., Carolina Power & Light Company and CP&L Holdings, Inc. request Commission approval of the transfer of ownership of Interpath Communications, Inc. from Carolina Power & Light Company to CP&L Holdings, Inc. In support of this application, the joint applicants state:

- 1. The name and address of the agency affected is:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

- 2. The address and telephone number for Interpath Communications, Inc., Carolina Power & Light Company and CP&L Holdings, Inc. are as follows:

Interpath Communications, Inc.
P.O. Box 13961
Research Triangle Park, N.C. 27709-3961
(919) 253-6265

Carolina Power & Light Company
411 Fayetteville Street
Raleigh, N. C. 27601-1748
(919) 546-6111

CP&L Holdings, Inc.
411 Fayetteville Street
Raleigh, N. C. 27601-1748
(919) 546-6111

3. Interpath Communications, Inc. is a subsidiary of Carolina Power & Light Company. It is dually incorporated in the states of North Carolina and Virginia and registered as a foreign corporation in Florida. It is a certificated IXC and ALEC telecommunications company in the state of Florida. See, Order Nos. PSC-99-01298-PAC-TI, PSC-99-1500-CO-TI, PSC-99-1153-PAC-TX, PSC-99-1280-CO-TX.

4. Carolina Power & Light Company (CP&L”) is in the process of forming a parent holding company, CP&L Holdings, Inc. (“Holdings”). CP&L currently owns all the outstanding shares of Holdings. CP&L and Holdings have entered into an exchange agreement, which provides for the exchange of CP&L common stock for Holdings common stock. Under the exchange agreement, (a) each share of CP&L common stock outstanding immediately prior to the effective time of the share exchange will be exchanged automatically for one new share of Holdings common stock; (b) Holdings will become the owner of all outstanding CP&L common stock; and (c) all shares of Holdings common stock held by CP&L immediately prior to the share exchange will be canceled. As a result, upon completion of the share exchange, Holdings will become a holding company, Holdings will own all of the common stock of CP&L, and all of the Holdings common stock outstanding immediately after the share exchange will be owned by the former holders of CP&L common shares.

5. Companies that are currently subsidiaries of CP&L may become direct subsidiaries of Holdings rather than CP&L. That is the plan for Interpath Communications, Inc. The transfer of Interpath Communications, Inc. to Holdings is anticipated to be accomplished by transferring

shares of Interpath Communications, Inc. to Holdings as a dividend. This application seeks Commission approval of the transfer of control and ownership of Interpath Communications, Inc. ("Interpath") from CP&L to Holdings. The applicants seek Commission approval before the end of 1999 so that the transfer of ownership may be accomplished before the end of the calendar year 1999.

6. The transaction contemplated is a corporate restructuring. The shareholders currently owning CP&L and indirectly owning Interpath will own Holdings, and by owning Holdings, will indirectly own CP&L and Interpath. The transfer of Interpath from CP&L to Holdings will not affect the ultimate control of Interpath.

7. Given that the proposed transaction is a corporate restructuring that does not result in an effective transfer of control of Interpath, there is some doubt as to whether Commission approval of this stock transfer is necessary under Section 364.33, Florida Statutes (1997). However, because there is contemplated a transfer of the controlling stock ownership of Interpath, in an abundance of caution, Interpath, CP&L and Holdings seek Commission approval pursuant to Section 364.33, Florida Statutes.

8. There will be no transfer of a certificate of convenience and necessity in this transaction. There will be no change in the name of Interpath Communications, Inc. There will be no change in the tariff or services of Interpath as a result of this transaction. The transaction will be transparent to the customers of Interpath and will be consistent with the public interest.

9. Interpath and its current stock owner, CP&L, as well as its proposed stock owner, Holdings, will be substantially affected by the Commission's decision in this proceeding. The Commission's decision will determine a fundamental property right of the Interpath's shareholders - whether they are allowed to transfer the stock they own to CP&L Holdings, Inc.

All the interests attendant to owning controlling stock interest in a telecommunications company will be affected by the Commission's determination in this proceeding. Moreover, Interpath and its stock owner seek to make this stock transfer as a corporate restructuring to facilitate the running of their business, and their interests in achieving this restructuring will be substantially affected by this proceeding. Similarly, the Commission will be determining the substantial interests of CP&L Holdings, Inc. in this proceeding. Holdings desires to receive the stock of Interpath as part of a corporate restructuring and to facilitate the management and operation of its telecommunications business. CP&L and Holdings will both suffer immediate injury to their substantial interests in the transfer and ownership of Interpath if the relief sought is not granted. This proceeding is precisely the type of proceeding intended by statute (Section 364.33, Florida Statutes) to protect the interests of CP&L and Holdings.

10. Neither Interpath, CP&L nor Holdings is aware of any disputed issues of material fact.

11. There has been no agency decision in this proceeding; therefore, neither Interpath, CP&L nor Holdings can provide "a statement of when and how the petitioner received notice of the agency decision."

12. The transfer of stock in Interpath Communications, Inc. from CP&L to Holdings is a corporate restructuring that is in the public interest and should be approved. Section 364.33, Florida Statutes (1997) entitles Interpath, CP&L and Holdings to relief.

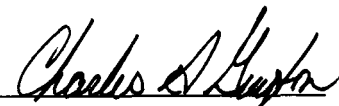
WHEREFORE, Interpath Communications, Inc., Carolina Power & Light Company and CP&L Holdings, Inc. respectfully request the Commission to approve the transfer of ownership of Interpath Communications, Inc from Carolina Power & Light Company to CP&L Holdings,

Inc. The applicants further request that Commission approval be expedited so that the contemplated transfer of ownership may be undertaken before the end of calendar year 1999.

Respectfully submitted,

Steel Hector & Davis LLP
Suite 601, 215 South Monroe Street
Tallahassee, Florida 32301
(850) 222-2300

Attorneys for the joint applicants

By: 
Charles A. Guyton

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