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May 18, 2009

VIA ELECTRONIC FILING

Mr. Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Synergy Business Park, Saluda Building
101 Executive Center Drive
Columbia, SC 29210

Re: EnTelegent Solutions, Inc.
Docket No. 2009-133-C
Our File No. 30593-0001

Dear Mr. Terreni:

Enclosed for filing please find the Testimony of David Gibson on behalf of EnTelegent Solutions, Inc. By copy of this letter we are serving the same on all parties of record. If you have any questions, please have someone on your staff contact me.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.

Bonnie D. Shealy

Bonnie D. Shealy

BDS/tch

Enclosure

cc w/enc: Shealy Boland Reibold, Esquire (via email & U.S. Mail)
Margaret M. Fox, Esquire (via email & U.S. Mail)
Mr. David Gibson (via email)
Mr. Carey Roesel (via email)
Ms. Sharon Thomas (via email)

BEFORE THE

PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2009-133-C

APPLICATION OF ENTELEGENT SOLUTIONS, INC.	)
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND	)
NECESSITY TO PROVIDE FACILITIES BASED	)
LOCAL EXCHANGE AND RESOLD LONG	)
DISTANCE TELECOMMUNICATIONS SERVICES	)
AND FOR FLEXIBLE REGULATION OF ITS LOCAL	)
EXCHANGE SERVICES AND ALTERNATIVE	)
REGULATION OF ITS LONG DISTANCE	)
SERVICE OFFERINGS	)

EnTelegent Solutions, Inc.

Testimony of

David L. Gibson

1 **Q. Will you please state your name and business address.**

2 A. My name is David Gibson. My business address is 3800 Arco Corporate Drive, Suite 310,
3 Charlotte, North Carolina 28273.

4 **Q. By whom are you employed and in what capacity?**

5 A. I am Vice President of Operations for EnTelegent Solutions, Inc. ("EnTelegent" or "the
6 Company") I am primarily responsible for overseeing the Company's operations and strategic
7 direction. These responsibilities allow me to interact with all aspects of the Company's
8 operations..

9 **Q. Please give a brief description of your background and experience.**

10 A. Prior to joining EnTelegent, I have held positions over the past 13 years as Director of
11 Operations, Director of Network Planning, and Directory of Network Operations for various
12 telecommunications companies, including OneStar Long Distance (from 1995-2003),
13 QComm – Cinergy Communications (2003-2005), Access Integrated Networks (2005-2007)
14 and QComm – nGenX Corporation (2007-2008). In those positions, I have been responsible
15 for virtually all aspects of telecommunications network and operational management,
16 including revenue assurance, performance measurement, bill audits, network optimization,
17 engineering and installation of collocations, and others.

18 **Q. What is the purpose of your testimony?**

19 A. The purpose of my testimony is to demonstrate that EnTelegent is technically, financially,
20 and managerially capable of providing local and long distance telecommunications services
21 in South Carolina.

22 **Q. Has EnTelegent registered to do business in South Carolina?**

23 A. Yes. EnTelegent has obtained authorization from the South Carolina Secretary of State to do

business in South Carolina. A copy of the Secretary of State certificate is attached to the Company's application as **Exhibit A**.

Q. Describe EnTelegent's experience in the telecommunications business.

EnTelegent is a start-up company, and, as such, has not yet initiated operations in any state. It is applying for CLEC and resold long distance authority, where required, in all states (excluding Alaska) and the District of Columbia. The Company anticipates having all applications submitted during the first quarter of 2009.

The Company's management team has strong managerial ability and experience in the telecommunications industry that will allow it to be a successful facilities-based local exchange provider and long distance reseller within the state of South Carolina.

Q. Where in South Carolina does EnTelegent intend to offer its local services?

A. By its application, EnTelegent is seeking to offer facilities-based local service and resold long distance service statewide. However, the Company intends to initially offer services only in the service areas of BellSouth.

Q. Please describe the services EnTelegent proposes to offer.

A. EnTelegent, Inc. will provide local exchange telecommunications service via UNE-P, and resold interexchange telecommunications services. Service will initially be provided to business customers. Service is provided twenty-four (24) hours per day, seven (7) days a week.

Q. Does EnTelegent own any network switches or transmission facilities used in routing calls?

A. No.

1 **Q. How will EnTelegent bill for its services?**

2 A. Calls will be billed directly by the Company. The Company's name will appear on the bill
3 and the bill will contain a toll free number for inquiries.

4 **Q. How are trouble reports handled?**

5 A. EnTelegent utilizes a nationwide toll-free number 800-975-7192 for customer service. Once
6 it initiates operations, EnTelegent's toll free customer service telephone number will be
7 available with live operator response during the hours of 7AM EST to 7PM EST. All
8 afterhours and overflow will be handled by third-party providers of similar service to other
9 carriers.

10 **Q. How are billing errors and complaints handled?**

11 A. EnTelegent utilizes a nationwide toll-free number, 800-975-7192, for customer service.
12 Customers may also contact the Company via mail at the headquarters location.

13 **Q. How will EnTelegent effect repairs for local service?**

14 A. The Company will provide repair services using its own agents or through agents contracted
15 for with the incumbent local exchange carrier or an independent third-party contractor.

16 **Q. Describe the proposed EnTelegent South Carolina tariffs.**

17 A. EnTelegent has included in Exhibits E and F illustrative tariffs, which contain the rules,
18 regulations and rates for its local, interexchange and access services. EnTelegent proposes to
19 offer resold interexchange telecommunications services to its residential and business
20 customers. The Company's local exchange services tariff provides descriptions and rates for
21 local exchange services, including custom calling features.

22

1 **Q. Does EnTelegent provide operator services?**

2 A. Yes, only to its presubscribed customers.

3 **Q. Where is EnTelegent currently certificated?**

4 A. EnTelegent is not yet certified in any other state. As I noted earlier, the Company is filing
5 applications nationwide during the first quarter of 2009.

6 **Q. Describe EnTelegent's financial ability to operate as a telecommunications provider.**

7 A. EnTelegent is financially able to provide service in South Carolina. The Company has not
8 yet begun to operate and submits its start-up Balance Sheet as Exhibit C to its Application.

9 A relatively small capital investment will be required for EnTelegent to enter the
10 South Carolina market. The most significant costs will be the cost of certification, initial
11 marketing, and some start-up costs associated with entering into and implementing an
12 interconnection agreement with BellSouth. Those latter costs will be shared among the nine
13 BellSouth states, since the Company intends to enter into a regionwide interconnection
14 agreement. Additional costs incurred by EnTelegent for South Carolina customers will be
15 incremental per-call costs assessed by its underlying carriers for switching and transporting
16 calls. These costs will be directly recovered in the rates charged to EnTelegent customers,
17 and will also be offset through the assessment of reciprocal compensation and access charges
18 on carriers.

19 **Q. Do you believe EnTelegent is capable of delivering its proposed services in South**
20 **Carolina?**

21 A. Yes, in addition to having sufficient financial resources, the senior management team of
22 EnTelegent has a strong background in telecommunications as demonstrated in the resumes

1 included as Exhibit D to the Company's application.

2 **Q. Where in South Carolina does EnTelegent intend to offer its services and how will**
3 **those services be offered?**

4 A. EnTelegent initially intends to offer local telecommunications service via UNE combinations
5 in areas served by BellSouth. It proposes to offer resold interexchange telecommunications
6 service throughout the state. The Company has entered into a Stipulation with the South
7 Carolina Telephone Coalition and agree to provide notice of our intent to provide service in
8 the areas of the incumbent rural carriers as outlined in the Stipulation.

9 **Q. How do you plan to solicit customers?**

10 The Company plans to initially market its services only to business customers. Its primary
11 marketing channel for EnTelegent Solutions, Inc. will be agents and VAR's leveraging
12 several existing relationships. A secondary channel is a white label/wholesale type of
13 offering.

14 **Q. Did EnTelegent request any waivers in its application?**

15 A. Yes. The Company requested waivers from any requirements that our financial records be
16 maintained in conformance with the Uniform System of Accounts. We currently maintain
17 our books and records in accordance with GAAP; and therefore, do not possess the detailed
18 cost data required by USOA. In addition we requested a waiver of 26 S.C. Reg. 103-610's
19 requirement that our books be kept in South Carolina. Our records are currently maintained
20 in North Carolina. Maintaining its books and records in South Carolina would be unduly
21 burdensome. EnTelegent has a registered agent in South Carolina and will bear any costs
22 associated with the Commission's inspection of its books and records. We also requested to

be exempt from the requirement that we publish a local directory. We will make arrangements with the incumbent carrier to include our customers in the directory published by the incumbent LEC.

Q. Did EnTelegent request flexible regulatory treatment for its local exchange services?

A. Yes. The Company will be a non-dominant, competitive provider of local exchange telecommunications services. Therefore, we request that the Commission regulate our company in the same relaxed fashion authorized in Order No. 98-165 in Docket No. 97-467-C and extended to other similarly situated carriers. We understand that this flexible regulatory treatment requires that we file maximum rates for our service offerings. Local tariff filings would be presumed valid once they are filed subject to the Commission's right to investigate the filing within thirty days.

Q. What Regulatory Treatment is EnTelegent seeking in this Application for its long distance business services, consumer card services, private line services and operator assisted services offerings?

A. EnTelegent requests that all of its business service offerings be regulated pursuant to the procedures described and set out in Docket No. 95-661-C and as modified by Order No. 2001-997-C in docket No. 2000-407-C. It is EnTelegent's intent by this request to have its long distance business services, consumer card services, any future private line services, and operator assisted services regulated in the same manner as this Commission has permitted for AT&T Communications of the Southern States. Specifically, EnTelegent requests:

(a) removal of maximum rate tariff requirements for its business services, consumer card, operator service, and future private line, and customer network-type offerings;

(b) that tariff filings for these uncapped offerings are presumed valid upon filing. If the Commission institutes an investigation of a particular filing within seven days, the tariff filing will be suspended until further order of the Commission; and

(c) any relaxation in the reporting requirements that may be adopted for AT&T shall apply to EnTelegent also.

The Company understands that the alternative regulation orders were modified by Order No. 2001-997 so that rate caps for operator-assisted calls where a consumer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as their toll provider. The order imposed a maximum cap of $1.75 for operator surcharges for such calls, and a maximum cap of $0.35 related to the flat per-minute rate associated with these calls.

Q. How will South Carolina consumers benefit from EnTelegent's services?

A. Granting EnTelegent's application will introduce a telecommunications service provider committed to providing high quality, innovative, and technologically advanced services that will further increase telecommunications competition within the State of South Carolina. EnTelegent's network will utilize state-of-the art technology. EnTelegent's service offerings will increase consumer choice, improve the quality and efficiency in telecommunications services and will likely lead to the reduction of consumer costs, as well as stimulate development of additional services by providing competitive incentives to other providers. Thus, granting EnTelegent's application is in the public interest.

Q. Does this conclude your testimony?

A. Yes.

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)

CERTIFICATE OF SERVICE

This is to certify that I, Leslie Allen, a legal assistant with the law firm of Robinson, McFadden & Moore, P.C., have this day caused to be served upon the person(s) named below the **Testimony of David Gibson on behalf of EnTelegent Solutions, Inc.** in the foregoing matter by having a copy of same via electronic mail and first class U.S. Mail in an envelope to:

Shealy Boland Reibold, Staff Attorney
Office of Regulatory Staff
1401 Main Street, Suite 900
Columbia, South Carolina 29201

Margaret M. Fox, Esquire
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, South Carolina 29211

Dated at Columbia, South Carolina this 18th day of May, 2009.

Leslie Allen

Leslie Allen