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DEPARTMENT OF THE ARMY
UNITED STATES ARMY LEGAL SERVICES AGENCY
901 NORTH STUART STREET
ARLINGTON VA 22202-1837

REPLY TO
ATTENTION OF

JUL 29, 2009

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SC PUBLIC SERVICE COMMISSION

Regulatory Law and IP Division
U 4191

Subject: Docket 2009-220-C

Charles L.S. Terreni
Chief Clerk and Administrator
SC Public Service Commission
PO Drawer 11649 (29211)
101 Executive Center Drive
Suite 100
Columbia, SC 29210

Re: In the Matter of the Joint Application of Frontier Communications Corporation, New Communications of the Carolinas, Incorporated, New Communications Online and Long Distance, Incorporated, Verizon South, Incorporated, Verizon Long Distance, LLC and Verizon Enterprise Solutions, LLC for Approval of the Sale of Assets and the Transfer of Authority and Certificates
Docket No. 2009-220-C

Dear Mr. Terreni:

Enclosed for filing please find, dated July 29, 2009, the original and 11 copies of Testimony of Charles W. King on behalf of the United States Department of Defense and all other Federal Executive Agencies (DOD/FEA), in the above-referenced proceeding. By copy of this letter and certificate of service, a copy is being served on all parties of record.

Inquiries to this office regarding this proceeding should be directed to the undersigned at (703) 696-2852. My fax number is (703) 696-2960.

Sincerely,

Terrance A. Spann

TERRANCE A. SPANN
Attorney for DOD/FEA

Enclosure:
Testimony of Charles W. King, dated 7/30/09

Printed on Recycled Paper

BEFORE THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

IN Re: Joint Application of Frontier Communications Corporation, New Communications of the Carolinas, Inc., New Communications Online, and Long Distance, LLC, and Verizon Enterprise Solutions LLC for Approval of the Sale of Assets and the Transfer of Authority and Certificates	)	Docket No. 2009-220-C

TESTIMONY OF

CHARLES W. KING

On Behalf of
THE DEPARTMENT OF DEFENSE
And
ALL OTHER FEDERAL EXECUTIVE AGENCIES

TERRANCE A. SPANN
Chief
Regulatory Law Office
Office of the Judge Advocate General
U. S. Army Litigation Center
901 N. Stuart Street, Suite 700
Arlington, Virginia 22203-1837

July 30, 2009

1 **DIRECT TESTIMONY OF**

2 **CHARLES W. KING**

3 **QUALIFICATIONS**

4 **Q. PLEASE STATE YOUR NAME, POSITION AND BUSINESS ADDRESS.**

5 A. My name is Charles W. King. I am President of the economic consulting firm of
6 Snavely King Majoros O'Connor & Bedell, Inc. ("Snavely King"). My business
7 address is 1111 14th Street, N.W., Suite 300, Washington, D.C. 20005.

8 **Q. PLEASE DESCRIBE SNAVELY KING.**

9 A. Snavely King, formerly Snavely, King & Associates, Inc., was founded by the
10 late Carl M. Snavely and myself in 1970 to conduct research on a consulting basis
11 into the rates, revenues, costs and economic performance of regulated firms and
12 industries. The firm has a professional staff of 12 economists, accountants,
13 engineers and cost analysts. Most of its work involves the development,
14 preparation and presentation of expert witness testimony before federal and state
15 regulatory agencies. Over the course of its 39-year history, members of the firm
16 have participated in over 1000 proceedings before almost all of the state
17 commissions and all Federal commissions that regulate utilities or transportation
18 industries.

19 **Q. HAVE YOU PREPARED A SUMMARY OF YOUR QUALIFICATIONS**
20 **AND EXPERIENCE?**

21 A. Yes. Attachment A is a summary of my qualifications and experience.

22 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN**
23 **REGULATORY PROCEEDINGS?**

24 A. Yes. Attachment B is a tabulation of my appearances as an expert witness before
25 state and federal regulatory agencies. It shows that I have testified before the
26 public utility commissions of over 40 states, including South Carolina, and I have

appeared before all federal agencies that regulate utilities, transportation and postal services.

Q. FOR WHOM ARE YOU APPEARING IN THIS PROCEEDING?

I am appearing on behalf of the consumer interests of the Department of Defense ("DoD") representing all Federal Executive Agencies ("FEA") in South Carolina.

INTERESTS OF DoD/FEA

Q. WHY HAS DoD/FEA INTERVENED IN THIS CASE?

A. DoD and the FEAs have numerous and varied locations throughout South Carolina. DoD, in particular, has several major installations, including Fort Jackson, Parris Island Marine Corp Depot, Charleston Air Force Base, Shaw Air Force Base, and the Charleston Naval Weapons Station. The Coast Guard has several stations situated along the South Carolina coast. In addition, there are numerous small DoD installations, serving National Guard and Reserve units. Military recruiting stations are distributed throughout the state. Likewise, the FEAs also have installations throughout the state.

This case involves the transfer of Verizon's South Carolina exchanges and associated long distance services to Frontier Communications. One major DoD installation, Shaw Air Force Base, is located in a service territory that will be affected by this transition.[1] Numerous Federal offices, including facilities of the Department of Interior - Geological Survey, and offices of the Federal Bureau of Investigation, are located in the Myrtle Beach area, which will also transition to Frontier. It is vital to Federal end users that the transition be made seamlessly and without degradation of service quality or efficiency.

[1] The "official" telecommunications services to the military facilities at Shaw are being performed under contract by Verizon and will continue with Verizon until the expiration of the contract. The "unofficial" services to the base housing and on-base contractors and concessionaires will be transitioned from Verizon to Frontier.

The DoD/FEA interest, however, goes beyond the locations directly affected by the transition. Most DoD and FEA telecommunications services are procured under contract through competitive bidding procurement. The effectiveness of the competitive procurement process is, of course, dependent upon there being a number of financially strong and technically capable entities that can submit bids. It is therefore important to the DoD/FEA that the South Carolina successor to Verizon, the second largest telecommunications company in the nation, be a viable, financially sound and technologically sophisticated company that will be able to bid competitively in Federal telecommunication procurements, not just in its own service territory, but throughout the state.

Additionally, the successor to Verizon will be a wholesale provider of services and facilities to competitive retail telecommunications providers. The service quality, performance, practices and operations of this successor must support effective competition among carriers in South Carolina.

Unfortunately, the record of two recent Verizon spin-offs has not been encouraging.

PREVIOUS VERIZON SPIN-OFFS

Q. WHAT PREVIOUS VERIZON SPIN-OFFS ARE YOU REFERRING TO?

A. Recently, there have been two major Verizon wireline spin-offs. The first was the sale of the Hawaiian Telephone Company's assets to The Carlyle Group ("Carlyle"). The second was the sale of Verizon's northern New England wireline operations to FairPoint Communications.

Q. PLEASE DESCRIBE THE SALE OF HAWAIIAN TELEPHONE.

A. The Hawaiian Telephone Company was created in the 1880's under the laws of the Kingdom of Hawaii. In the mid-20th century it was acquired by General Telephone and Electronics, later the GTE Corporation. It became part of the Verizon family of companies when Verizon acquired GTE in the 1990s. In 2004, Verizon sought approval to sell its Hawaiian assets to Carlyle, a private equity enterprise. Carlyle would create a new entity, Hawaiian Telcom, Inc. ("HT"), that would provide the local exchange services previously offered by Hawaiian Telephone. The applicants in that case stated that after the transition HT "will have the financial fitness and ability to fund the continuing operations of Verizon Hawaii through the revenue generated from the existing and proposed operations."[2] Likewise, the applicants stated that they ". . . acknowledge the importance of ensuring a seamless transition for customers and have conducted a rigorous process to select a world-class systems integrator to replicate the full functionality of the systems currently provided by Verizon."[3] In 2005, The Public Utilities Commission of Hawaii ("HPUC") approved the transfer subject to numerous conditions.[4]

In its decision approving the sale, the HPUC stated that it would initiate an investigation of HT's service quality approximately six months after HT assumed the back-office operations that Verizon previously provided on a national basis to all of its service territories, including Hawaii. This service quality proceeding, HPUC Docket No. 2006-0400, confirmed that the transition from Verizon was far from seamless or harmless to customers. Although the HPUC has not yet rendered a decision in that proceeding, it is undisputed that for more than a year following the cutover from Verizon's back-office operations, HT was unable to collect data – even manually – as to six service standards for which the HPUC

[2] Application, Docket No. 04-0140, June 21, 2004, pp. 13-14.
[3] *Id.*, p. 15.
[4] Docket No. 04-0140, Decision and Order No. 21696, March 16, 2005.

required reports.[5] Thus, the full extent of the problems associated with the transfer could not even be quantified.

As to the seven service standards for which HT was able to file reports, five dealt with call answering time. HT's ability to answer calls was lacking compared to the experience under Verizon. For example, during the nine months following the cut-over, HT's percent of residential installation and billing office calls answered in 20 seconds ranged from a low of 8.01 percent to a high of 70.37 percent, compared to the objective of 85 percent and Verizon's 2005 percentage of 87.46 percent. Likewise, the answering time achieved for business installation and billing office calls following the cut-over ranged from 12.83 percent to 78.82 percent compared with the objective of 85 percent and Verizon's achieved rate in 2005 of 88.23 percent. [6] In an effort to repair the damage caused by the non-functioning systems, HT had to replace the contractor working on the transition.[7]

HT admitted in its pleadings that service suffered as a result of the transition from Verizon and that it created erroneous bills and was unable to handle adequately incoming calls.[8] HT candidly admitted that "... the cutover did unfortunately create some negative impacts on its customers." [9] Finally, HT agreed with the assessment of the Consumer Advocate that its "... retail customers following cutover experienced long waiting times to reach [its] contact center, extremely slow and long transaction processing times, high levels of fall out, long waiting times to repair, missed or delayed installation and repair commitments and billing errors."[10]

[5] HT's Post-Hearing Brief, HPUC Docket No. 2006-0400, filed November 9, 2007 at p. 118, note 101. The missing reports included crucial data such as the percent of trouble reports cleared within 24 hours, the percent of installation and repair commitments met and customer trouble reports per 100 lines.
[6] HT's February 15, 2007 Statement of Position, HJOPC Docket No 2006-0400, pp. 39-41.
[7] *Id.*, pp. 74-77.
[8] *Id*, .pp. 53-57.
[9] HT's August 31, 2007 Final Position Statement, HPUC Docket No. 2006-0400, p. 21.
[10] *Id.*, p. 7.

The cutover from Verizon's back-office operations also caused significant problems for HT's wholesale customers. One Competitive Local Exchange Carrier ("CLEC"), Time Warner Telecom of Hawaii, L.P. ("TWTC"), summarized the problems as follows:

> HT's conversion to its new back office systems was a failure by any measure. Immediately following cutover, virtually none of the wholesale back office systems were functioning. Today, 19 months after cutover, they are still not functioning at the same level as the Verizon systems. Although HT has made significant progress in addressing its issues, those efforts are not complete.
>
> HT violated the Merger Decision and the Stipulation by failing to provide the same or similar functionality for wholesale service as previously provided by Verizon, and by failing to remain on the Verizon systems until HT's new systems were fully tested and operational. These violations significantly harmed TWTC and HT's other customers. [11]

In summary, the applicants in the Hawaii sale promised a seamless transition to HT's back-office systems, but the record in that case – including HT's own pleadings -- shows that both wholesale and retail customers suffered significantly from the failure of automated systems, dropped calls, long call answering and holding times, billing errors and costly manual efforts to correct the deficiencies. HT was not able to track repair and installation times, so that data for these critical service quality metrics could not even be assessed in determining the adverse effects of the transition to HT's systems.

On December 1, 2008, HT filed for Chapter 11 bankruptcy protection.[12] The public explanation for the bankruptcy was excessive debt load, but the costs and lost customers resulting from HT's poor service quality probably contributed to the Company's inability to service its debt.

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[11] Time Warner Telecom of Hawaii, L.P., dba Oceanic Communications' Post-hearing Brief, HPUC Docket No. 2006-0400, November 9, 2007, p. 2. (footnote omitted). The text of the brief contains a detailed description of HT's numerous failures in connection with providing wholesale service after acquiring the Verizon exchanges, and the adverse impact that the failures had on Time Warner and its customers. Another CLEC, Pacific LightNet, Inc., filed a Post-hearing Brief asserting that the flawed transfer of operations caused it to incur additional expense to resolve interconnection problems and billing errors.

[12] See Hawaiian Telcom Communications, Inc., Securities and Exchange Commission Form 8-K filed December 1, 2008, and HT's December 1, 2008 Press Release contained in that filing.

Q. PLEASE DESCRIBE VERIZON'S SALE OF NEW ENGLAND OPERATIONS TO FAIRPOINT.

A At the beginning of 2007, FairPoint Communications ("FairPoint") was an incumbent local exchange telecommunications company with about 330,000 access lines. In that year, Verizon New England, Inc., FairPoint, and affiliated firms announced a planned $2.4 billion transaction, generally similar to that proposed in South Carolina, under which FairPoint would obtain Verizon's landline businesses in Maine, New Hampshire and Vermont.

The proposed transaction was controversial and the implementation of the sale was seriously flawed in all three of these states. In Vermont, for example, the Public Service Board initially denied the application. The petitioners submitted a revised proposal, in which they improved the transaction from the standpoint of ratepayers in several ways. The revised proposal bettered FairPoint's financial standing after the acquisition by substantially reducing the initial debt and decreasing dividends. In addition, the proposal was revised to include a Performance Enhancement Plan, which was designed to prompt more investment and improve service quality by mandating that FairPoint set aside funds when it fails to meet certain specified service standards. Also FairPoint agreed to an independent monitor of the transition from Verizon's systems to its own, with the objective of making the transition more seamless and further safeguard consumers.[13]

The Vermont Public Service Board approved the transfer with additional conditions on February 15, 2008.[14] Recently, the Board noted that it continues to receive "unprecedented levels" of complaints since FairPoint began operating under its own systems rather than Verizon's on Feb. 9, 2009, ranging from billing

[13] Vermont Public Service Board Docket No. 7270, Order entered February 15, 2008.
[14] *Id.*

errors, to repair and delivery problems and trouble reaching customer service representatives.[15] However, the problems continue. Indeed, service has deteriorated to the extent that the Board has called for an investigation into whether the Company should be allowed to continue its operations in the state if it cannot overcome its customer service, billing, and operational problems.[16][17]

On July 1, 2009, FairPoint's new CEO, David Hauser, candidly acknowledged that FairPoint's reputation has been damaged by operational problems following the takeover of Verizon's northern New England landline telephone and Internet business. Attachment D to this testimony is a complete copy of Mr. Hauser's statement.

On May 5, 2009 FairPoint indicated in its First Quarter Report that it was "considering engaging a financial advisor to evaluate its current capital structure and to explore options with respect to a potential restructuring." It also acknowledged that it was "at risk of failing to comply with the interest coverage covenant contained in its credit facility as early as the covenant measurement period ending June 30, 2009."[18]

Q. WHAT IS THE LESSON FROM THESE PREVIOUS VERIZON SPIN-OFFS?

A. Both the Hawaii and the FairPoint transactions were described as seamless and of no harm to consumers, much as this transaction in South Carolina has been described by Frontier and Verizon. Events proved otherwise in each case. In view of this history, the Commission must view with great suspicion any statements by Verizon and Frontier that there will be no impact on customers from the transfer.

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[15] Associated Press, Lisa Rathke, July 15, 2009.
[16] Vermont Docket No. 7270 Information Page at http://www.state.vt.us/psb/document/
[17] This testimony has focused on Vermont, but the problems exist in the other states as well. For example, on July 29, 2009, the day before this testimony filing, the *Bangor Daily News* reported that the Maine Public Utility Commission refused to waive the financial penalties that FairPoint had incurred for poor service performance.
[18] FairPoint Communications SEC Form 10-Q, March 31, 2009, page 46.

It is important that this Commission establish safeguards to ensure that the difficulties that arose in these previous spin-offs will not be repeated in South Carolina.

OBJECTIVE OF THIS INTERVENTION

Q. DO YOU OPPOSE THIS TRANSACTION?

A. Not necessarily. With adequate and focused safeguards, this transaction should be in the public interest. As Frontier's witness states in his testimony, Frontier is a rurally oriented local exchange carrier with many years of experience.[19] It appears eager to expand the scope of services offered in South Carolina, particularly high-speed Internet service. To deny this transaction would be to require Verizon to continue to serve exchanges it would prefer to exit and customers it would prefer not to have. This would not be a prescription for reliable, efficient and responsive telecommunications service.

Q. WHAT, THEN, IS YOUR CONCERN IN THIS PROCEEDING?

A. I am concerned that the transition from Verizon to Frontier be as seamless as possible and that there be no cost increases or service quality losses. In this testimony, I recommend several conditions that should be imposed on Frontier as part of the approval of the transaction. If Frontier is prepared to meet the commitment it has made to transparency and seamlessness, then these conditions should be altogether painless.

These conditions relate to two principal areas of concern to me. The first area is the financial health of the South Carolina operation. The second is the maintenance of adequate service quality in the South Carolina exchanges.

[19] Direct Testimony of Daniel McCarthy, page 4.

1 **FINANCIAL HEALTH OF SOUTH CAROLINA OPERATIONS**

2

3 **Q. WHY ARE YOU CONCERNED ABOUT THE FINANCIAL HEALTH OF**
4 **THE SOUTH CAROLINA OPERATIONS?**

5

6 A. Some historical numbers describing Frontier will explain this concern:

7

Frontier Communications Corporation[20]

	2004	2005	2006	2007	2008	5-Yr Total
Earnings per Share	$ 0.23	$ 0.60	$ 1.06	$ 0.65	$ 0.57	$ 2.90
Dividends per Share	2.50	1.00	1.00	1.00	1.00	6.50
Long-term Debt Borrowing	700,000	-	550,000	950,000	135,000	2,335,000
Common Stock Buybacks		(250,000)	(135,239)	(250,000)	(200,000)	(835,239)
Dividends Paid	(832,768)	(338,364)	(323,671)	(336,025)	(318,437)	(2,149,265)

8

9 This table demonstrates that Frontier has repeatedly issued dividends well in
10 excess of its net income, and it has in effect financed those dividends through
11 long-term borrowing. It appears from these numbers that not a penny of the
12 Company's recent borrowing has gone into plant or equipment. Instead, it has
13 gone to shareholders.

14

15 Frontier has promised to reduce its post-transaction dividend to $0.75 per share.
16 Unless earnings per share improve dramatically, this reduction will still result in a
17 dividend greater than net income. A $0.75 dividend is still over 30 percent
18 greater than the Company's 2008 earnings per share.

19

20 As a result of this over-generous dividend policy, Frontier's stock price, currently
21 at about $6.90 per share, is over four times its book value. Even at the reduced

[20] Source: Frontier Communications Annual Report Forms 10-K to the Securities & Exchange Commission

dividend of $.75, the dividend yield is just under 11 percent. This very high dividend yield indicates that investors have little expectation of further stock appreciation, not a good harbinger for the future.

This strategy of paying shareholders with long-term debt borrowing is unsustainable. The book value of Frontier's equity is now only about ten percent of the total asset value of the Company. Thanks to Frontier's very generous treatment of its shareholders, the market value of its equity is considerably higher, about 35 percent. But Frontier cannot continue indefinitely to issue dividends greater than its net income. Either it must dramatically increase its earnings per share, or it must reduce further its dividend. If it reduces its dividend, the market value of its stock will likely decline and the Company will become severely over-leveraged.

Frontier must change its ways; otherwise it will be unable to raise further capital. Even now, Frontier bears an S&P rating of BB, below the level acceptable for investment in pension and benefit funds. Any further deterioration of Frontier's financial condition will constrain Frontier's access to both debt and equity capital, and that will threaten the investments that Frontier has indicated that it will make in its newly acquired South Carolina exchanges.

Q. WHAT WILL BE THE EFFECT OF THIS TRANSACTION ON FRONTIER'S HEALTH?

A. Frontier is absorbing an entity twice its size:[21]

	Frontier	Verizon Lines ("SpinCo")
Lines	2,254,333	4,790,673
Revenues (Millions)	$2,137	$4,287

[21] Presentation of Frontier Communications at the Barclays Capital Worldwide Wireless and Wireline Conference, May 2009, pages 19 and 24.

There are important financial and service implications from his relationship. The principal financial implication is that Frontier's balance sheet and income statement will be very significantly impacted by the debt/equity mix and profitability of the newly acquired exchanges. In the near term, the impact will be quite positive. The approximately 60 percent ($5,247 million) of the value of the transferred assets ($8,580 million) will take the form of a transfer of equity. Verizon will create a temporary corporation, called "SpinCo," the stock of which will be distributed to Verizon's existing shareholders. That stock will then be transferred to Frontier, so that each Verizon shareholder will become a shareholder in Frontier. This is essentially a cost-free transaction for both Frontier and Verizon. The remaining 40 percent ($3,333 million) will be debt (or debt relief) that the new entity, SpinCo, will pay to Verizon.[22]

The result of this transaction will be a Frontier that is considerably less leveraged than the existing company. Its equity proportion of total capital will increase from 35 percent to 49 percent, and its debt proportion will fall correspondingly from 65 percent to 51 percent. The ratio of net debt to Earnings Before Interest, Taxes, Deprecation and Amortization ("EBITDA") will decline from 3.8 times to 2.2 times. Other ratios will improve as well, although not quite so dramatically. The ratio of EBITDA to total revenue will increase from 54.3 percent to 55.7 percent, and the free cash flow per share of stock will increase from $1.58 to $1.75.

Q. WILL THESE IMPROVED FINANCIAL RATIOS ALLEVIATE YOUR CONCERN ABOUT FRONTIER'S FINANCIAL HEALTH?

A. No. I am concerned that this improvement in Frontier's financial condition will serve merely to perpetuate the past pattern of paying shareholders more than the earnings of the Company. Unless Frontier is willing to limit its dividends to the

[22] *Id.*, pages 15 and 19.

level of earnings per share, it will again erode its ability to raise capital for the investments needed to expand services to its customers in South Carolina.

Q. WHAT CAN THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION DO ABOUT THIS SITUATION?

A. I doubt that the South Carolina Commission is interested in micro-managing Frontier, or that it wishes to dictate the nation-wide financial policies of the Frontier Communications Corporation. The Commission's focus is on telecommunications services in South Carolina.

South Carolina will be served by a subsidiary of Frontier called Frontier Communications of the Carolinas, Inc. That subsidiary will certainly prepare a balance sheet, income statement and cash flow statement each year. The income statement will identify the income for the previous year. The cash flow statement will identify the dividends that the Company pays to its parent.

The South Carolina Commission should condition its approval of this transaction on a requirement that Frontier Communications of the Carolinas will not in any year issue dividends that exceed the level of its net income. This provision will help keep South Carolina secure from any raid by the parent company on the cash generation of the subsidiary serving the state. In a small way this condition may also discourage the parent company from distributing more dividends to its shareholders than it earns from its operations.

To deal with the prospect that Frontier will again move to an over-leveraged condition, I recommend safeguards be developed similar to the following language from the Oregon Public Utilities Commission's May 11, 2009 approval of the merger of CenturyTel, Inc. and Embarq Corporation:

> At any time when the condition in subsection (i) [below] exists, the Operating Companies of the merged company will limit payments of

> dividends on common equity distributed to any company (including affiliates and subsidiaries) of [Frontier] holding shares of the operating companies in any year to an amount not more than 50% of net income in the preceding fiscal year. The Operating Companies will limit payment of dividends on common equity in any quarter, if dividends are distributed quarterly, to not more than one-fourth of the annual limitation amount.
>
> (i) The average market value of [Frontier's] common equity is less than 50 percent of the book value of [Frontier's] net debt. The average market value of [Frontier's] common equity will be calculated using the average stock price and the average number of fully-diluted shares outstanding during the preceding 120 calendar days. As used in this section, "net debt" means total long-term debt less cash. This test will be calculated prior to the determination of each declaration of dividend, whether quarterly, special, or other.[23]

These requirements can be enforced by periodic audits and the application of the Commission's existing general powers to enforce its orders.

Q. ARE THERE ANY OTHER CONCERNS REGARDING FRONTIER'S FINANCES?

A. Yes. As I have noted, the $0.75 dividend that Frontier proposes to pay to its shareholders still exceeds its earnings per share by about 30 percent. Frontier is therefore under fairly severe pressure to increase its earnings. This pressure could result in a campaign of rate increases that would burden ratepayers who remain dependent on Frontier's landline telephone services.[24]

Q. WHAT DO YOU RECOMMEND TO RESOLVE THIS CONCERN?

A. It is my understanding that the South Carolina Commission has retreated from any significant price regulation of telephone services. I do not propose that it immediately reverse this policy with respect to Frontier simply because of the

[23] Oregon P.U.C. Order No. 09-169, May 11, 2009, Appendix B, Sec. 4j.

[24] Transaction costs associated with this transfer add a further incentive to increase revenue. The recovery of these costs from ratepayers in most cases would be inappropriate because ratepayers are not responsible for them. These costs would not be incurred were it not for the transaction.

Verizon line transfer. However, if the result of that acquisition is very large price increases for basic residential and small business access line service, then the Commission should seriously consider re-imposing some limited price regulation. Specifically, I recommend that if Frontier's basic residential and small business (single or double line) rates increase by more than 10 percent in a given year, then the Commission should convene a proceeding to consider whether caps should be imposed to limit further rate increases.

SERVICE QUALITY CONCERNS

Q. WHY ARE YOU CONCERNED ABOUT THE SERVICE QUALITY RESULTING FROM THIS TRANSACTION?

A. As noted earlier in my testimony, the two recent large Verizon spin-offs have resulted in severe service quality degradation. I am concerned that this pattern not be repeated in South Carolina following the Verizon-to-Frontier transition. This concern is amplified by the following service quality indicators published by the Federal Communications Commission ("FCC"):

	Nationwide		
	Frontier/ Citizens	Verizon	Verizon South Carolina
1. Installation Interval (days)			
Business Lines	5.9	1.9	1.9
All Lines	5.6	1.7	1.1
2. % Local Installation Commitments Not Met			
Business Lines	4.3%	2.8%	6.4%
All Lines	3.7%	1.7%	3.3%
3. Trouble Reports per Month per 100 Lines			
Business Lines	1.58	0.77	0.97
All Lines	2.78	1.63	1.89
4. Complaints to Regulatory Agencies (Per Million Lines)			
Business Lines	112	50	79
All Lines	352	350	213

5. Repeat Out of Service Trouble Reports as a Percentage Of Initial Out of Service Trouble Reports

Business Lines	13.4%	13.7%	11.3%
All Lines	16.9%	15.5%	16.2%

6. Out of Service Repair Interval (hours)

Business Lines	21.3	18.9	15.7
All Lines	24.2	35.5	19.8

Source: 2008 FCC ARMIS 43-05 Reports

In every case but two, Frontier scores worse nationally than Verizon nationally. These differences might be explained by the fact that Verizon serves many high-density urban areas. However, Verizon's South Carolina operations are mostly small town and rural, and even there, Verizon's performance is better than that of Frontier for all but one of the measures.

These comparisons do not bode well for the service quality that can be expected following the transfer of Verizon's South Carolina operations to Frontier. They are of particular concern given that Frontier has no existing operations in either of the Carolinas, the two states that will make up the new Frontier Communications of the Carolinas. Frontier will be operating with employees, protocols and Information Technology systems transferred from Verizon, with which Frontier's management will not be familiar.

Q. DOES THE SOUTH CAROLINA PUBLIC SERVICE COMMISSION HAVE ESTABLISHED STANDARDS FOR TELECOMMUNICATIONS SERVICE?

A. Yes. Chapter 103, Article 8(6) of the South Carolina Code of Regulations sets forth the following standards:

Availability of service - 85 percent of orders for installations or re-installations filled within 5 working days.

Equipment capabilities -- on an average business day (8 am to 5 pm) the failure rate on interoffice calls shall not exceed 1.5 percent, and the failure rate on interoffice calls shall not exceed 3 percent.

Dial tone - 98 percent of all calls receive dial tone within three seconds.

Answering times - 90 percent of toll and operator assistance calls answered with 10 seconds, 90 percent of calls to repair service answered within 20 seconds, and 80 percent of calls to directory service answered within 30 seconds.

Trouble reports - For each exchange with at least 7,500 access lines, trouble rate shall not exceed 5.0 reports per 100 access lines

Trouble clearance - Provision must be made to "normally" clear trouble within 24 hours, except weekends, unless customer agrees to an extension. The aggregate standard is 85 percent cleared within 24 hours.

Q. ARE THESE STANDARDS SUFFICIENT TO ENSURE ADEQUATE SERVICE QUALITY IN THE EXCHANGES THAT WILL BE TRANSFERRED FROM VERIZON TO FRONTIER?

A. No. I believe they can be expanded. In addition, there needs to be simple, direct and timely mechanisms to enforce the service quality performance standards, thereby providing an incentive for Frontier to maintain its reliability and efficiency.

Q. WHAT ADDITIONAL STANDARDS CAN YOU SUGGEST?

A. Earlier in my testimony, I listed six service performance measures that the FCC regularly reports. They identify the level of service currently being offered by Verizon in South Carolina and Frontier's performance nationally. If this transaction is to be seamless and transparent to customers Frontier must meet Verizon's prior performance in South Carolina wherever it is better than Frontier's. In the one case where Frontier performs better than Verizon-South Carolina, the Frontier performance should be the standard.

These criteria result in the following minimum service standards:

1. Installation Interval (days)	
Business Lines	1.9
All Lines	1.1
2. % Local Installation Commitments Not Met	
Business Lines	4.3%
All Lines	3.3%
3. Trouble Reports per Month per 100 Lines	
Business Lines	0.97
All Lines	1.89
4. Complaints to Regulatory Agencies (Per Million Lines)	
Business Lines	79
All Lines	213
5. Repeat Out of Service Trouble Reports as a Percentage Of Initial Out of Service Trouble Reports	
Business Lines	11.3%
All Lines	16.2%
6. Out of Service Repair Interval (hours)	
Business Lines	15.7
All Lines	19.8

Q. FRONTIER WITNESS McCARTHY ARGUES THAT FRONTIER WILL NOT ENCOUNTER THE SERVICE PROBLEMS THAT PLAGUED THE TWO PREVIOUS VERIZON SPIN-OFFS. WHAT IS YOUR RESPONSE?

A. Mr. McCarthy's position is that since Frontier is already a substantial operating company with established billing, operational and customer service systems in place, it will be able to transition its new service territories seamlessly and without any deterioration in service quality.

I very much hope that Mr. McCarthy is correct. However, the reality is that Verizon's billing, operating and customer service systems are not the same as Frontier's, and if Frontier is to have uniform systems nationwide, it will

eventually have to cut the Verizon protocols over to its systems. In previous cases, this cutover has proved to be difficult and costly.

As noted earlier, this condition is of particular concern in South Carolina because there is no existing Frontier presence in the state. All employees, systems, protocols and practices are those of Verizon. The conversion to Frontier will involve all of the Company's activities in South Carolina.

Another concern relates to planning. In response to a data request in the West Virginia proceeding parallel to this one, Frontier stated that it had no capital budget for the year 2010.[25] This is ominous because most utility companies have capital budgets five years out. If Frontier has no plan for capital expenditures, the Commission should question the seriousness its promise to increase greatly the proportion of South Carolina subscribers with access to the Internet.[26]

For these reasons, it is important for the South Carolina Commission to monitor Frontier's service performance. To be a deterrent against service degradation, the Commission should be prepared to impose sanctions if service performance deteriorates.

SANCTIONS FOR POOR PERFORMANCE

Q. WHAT SANCTIONS MIGHT THE COMMISSION IMPOSE IN ORDER TO ENSURE ADEQUATE SERVICE QUALITY?

A. The first sanction has to do with reporting. The Commission should set a date certain by which Frontier must file all of the required service quality reports. I recommend that the initial filing date be 90 days following the consummation of the transaction in South Carolina. Should that date not be met, Frontier would be

[25] Attachment C is a copy of this data request and its response.
[26] Joint Application of Verizon and FairPoint to the South Carolina P.S.C., para.24, p. 12.

subject to a civil fine for its failure.[27] At this point, I would leave it to the Commission to determine the amount of the fine.

As regards failure to meet service quality standards, there are three methods by which the Commission could impose fines or penalties:

1. Require annual credits to the bills of all Frontier customers for Frontier's failure to meet service standards state-wide for a consecutive number of months, or for a total number of months during a year.
2. Impose a fine on Frontier, payable to the Commission or to the state treasury, as appropriate, for its failure to meet service quality standards for a certain consecutive or total monthly period during a year.
3. Require credits to Frontier's customers on a customer-by-customer basis for failure to meet a Commission-mandated provisioning or restoration standard in a particular instance, with a credit applied to the bill following the failure.

The first approach would provide an incentive to Frontier to provide service according to the prescribed standards. The disadvantage, however, is that the annual credit is spread over the general ratepayer base and may be seen as inadequate for customers who experienced severe problems. Moreover, because the credit is annual, a customer who experienced problems may have moved or changed carriers by the time that the credit is issued. In that respect, the benefit is received by new customers whose service was not affected negatively. The approach would be of value in a situation where service problems are extended and severe, and the credit is large in amount, because the action would heighten public awareness of the carrier's service deficiencies and bring pressure to improve.

The second approach – payment of penalties for failure to meet service standards – has merit as an incentive to the carrier to meet the designated service criteria.

[27] I understand that sections 58-9-1610 and 58-9-1620 of the South Carolina Code of Laws provides for a fine of $25 to $500 per day for a telephone company's continuing failure to comply with a Commission order.

The approach, however, provides no compensation to customers who received poor service. Rather, it is a punishment that reduces the carrier's earnings and generates negative publicity if the fine is issued in a significant amount. Frontier's failure to provide service quality reports for an extended period is the type of situation that this approach should encompass. This approach could be combined with the prior approach in egregious situations to preserve the Commission's processes and orders while making whole the affected customers.

Arguably most appropriate is the third approach – immediate credits to individual customers' bills. Customers who do not receive the quality of service according to the standard that the Commission specifies should not be expected to pay full price for what they received. This approach – which has been adopted elsewhere for both retail and wholesale customers – provides a financial incentive for Frontier to provide high quality service, and the beneficiaries of the credit are the individual customers who suffered. Importantly, the immediate nature of the credit guarantees that the customer directly affected receives the full benefit of Frontier's obligation to redress service failures.

Q. CAN YOU ILLUSTRATE THE TYPE OF STANDARDS THAT WOULD TRIGGER THE CUSTOMER CREDITS UNDER THIS LAST PROPOSAL?

A. Yes. The Commission should consider the following sanctions found in the decision of Washington Utilities and Transportation Commission approving an alternative form of regulation for Qwest Communications:

1. Delayed Primary Basic Exchange Alternative

Primary basic exchange service is defined as the first residential line or first two business lines at a given location (address). If the Company is unable to provide primary basic exchange service (service) within five business days of the due date, and the reason for the delay is caused by the Company, the Company will:

Credit the monthly recurring charge,
Credit the nonrecurring charge,
Assign a telephone number,

Provide a directory listing and,
Remote call forwarding and,
Voice messaging service.

2. Out-of-Service Trouble Condition Credit
   a. Customers who have an out-of-service condition (no dial tone) on their lines that is not cleared within two working days (excluding Sundays and holidays) will receive a credit of $5.00.
   b. If the out-of service condition exceeds seven calendar days, the customer will receive a credit equal to their monthly local exchange service rate, including any associated regulated features for the month in which the outage occurred.
   c. These credits do not apply if the out-of service condition or the Company's inability to clear the condition is due to:
      emergency situations,
      unavoidable catastrophes,
      force majeure,
      work stoppage,
      inside wiring,
      customer premises equipment.
   d. All other reported service interruptions (i.e. noise on line, intermittent static, etc.) will be restored within 72 hours. Sundays and legal holidays are excluded from the 48 hour and 72 hour periods.

3. Trouble Report Rate Credit
   a. In the event the Company has an exchange with a trouble report rate greater than 4.0 per one hundred access lines, for two consecutive months or four months out of a twelve month period, the customers served by that exchange will receive a credit of $0.25 per line. The credit will not exceed $0.25 in any month.
   b. The credits do not apply to trouble reports:
      Related to customer premises equipment,
      Extraordinary or abnormal conditions of operation, such as those resulting from emergency or catastrophe,
      Disruptions of service caused by persons or entities other than the Company

I recommend that similar provisions for customer credits be included in Frontier's tariff as a condition for the Commission's approval of this transaction. Possibly the Commission could ask Frontier to define the conditions. That would provide some assurance that the promises of transparency and seamlessness are not simply pre-approval rhetoric.

1
2 **OTHER ISSUES**
3
4 **Q ARE THERE ANY OTHER ISSUES YOU WOULD LIKE TO RAISE AT**
5 **THIS TIME?**
6
7 A. Yes. There are two. The first deals with unfunded employee benefit programs.
8 The second with commitments that Verizon has made to customers, competitors
9 and the Commission.
10
11 **Q. WHAT IS THE ISSUE WITH RESPECT TO UNFUNDED EMPLOYEE**
12 **BENEFIT PROGRAMS?**
13
14 A. Frontier will be assuming a number of employees who previously worked for
15 Verizon. Verizon has pension and retiree health programs that may not be fully
16 funded. Verizon should not be allowed to transfer these liabilities to Frontier, if at
17 all, without their being fully funded, particularly given Frontier's tenuous
18 financial condition. This issue should be addressed as part of the approval
19 process.
20
21 **Q. WHAT DO YOU RECOMMEND REGARDING THESE LIABILITIES?**
22
23 A. I recommend that Verizon be given a choice of fully funding the liabilities or of
24 continuing the programs for all previous Verizon employees in South Carolina.
25 This will free Frontier from the burden of assuming liabilities that it had no part in
26 incurring.
27
28 **Q. WHAT IS THE ISSUE WITH RESPECT TO VERIZON'S**
29 **COMMITMENTS?**
30

A. Verizon has made a number of commitments to its retail and wholesale customers, its suppliers, its employees and this Commission. The transfer of exchanges to Frontier should not become an excuse for abrogating any of these commitments.

Q. WHAT DO YOU RECOMMEND IN THIS REGARD?

A. I recommend that the Commission condition its approval of the transaction on Frontier's explicit acknowledgement that all commitments by Verizon will be honored by Frontier following the completion of the transfer.

SUMMARY OF RECOMMENDATIONS

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.

A. In this testimony, I have recommended that :

- Frontier Communications of the Carolinas be required to limit any dividends to its parent company(ies) to no more than its net income.
- If Frontier's market equity is less than 50 percent of its total capitalization, then the limit on dividends be reduced to 50 percent of net income.
- If Frontier increases its residential and small business rates in any one year by more than 10 percent, the Commission convene a proceeding to determine whether caps should be imposed on the prices of those services.
- The Commission reaffirm the telephone performance standards that it has previously adopted.
- The Commission impose further performance standards on Frontier equal to the FCC's six measures as recorded for Verizon-South Carolina, except where the Frontier's national performance is better.
- The Commission consider imposing a fine for failure to report its service performance metrics within 90 days of the approval of the merger.
- The Commission consider requiring a credit to ratepayers for each failure to achieve the stated performance measures.

- The Commission consider imposing a fine for each failure to achieve the stated performance measures.
- The Commission require Frontier to refund and otherwise compensate customers who have been subjected to inadequate service.
- Verizon be given the choice of fully funding all unfunded employee benefit programs or of continuing those programs for all previous Verizon employees in South Carolina.
- Condition its approval of the transaction on Frontier's acknowledgement that all commitments by Verizon will be honored by Frontier following the completion of the transfer.

Q. DOES THIS COMPLETE YOUR TESTIMONY AT THIS TIME?

A. Yes. It does at this time. However, I should point out that at this writing I have only just received some of the voluminous responses to the data requests that we have submitted to the applicants – Frontier and Verizon -- in this proceeding. I therefore respectfully request the opportunity to amend or modify my testimony should the material in the responses require it.

Charles W. King

Attachment A

Experience

Snavely King Majoros O'Connor & Lee, Inc. Washington, DC

President (1989 to Present)
Vice President (1970 - 1989)

Mr. King, a founder of the firm and acknowledged authority on regulatory economics, brings over thirty years of experience in economic consulting to his direction of the firm's work in transportation, utility and telecommunications economics.

Mr. King has appeared as an expert witness on over 300 separate occasions before more than thirty state and nine U.S. and Canadian federal regulatory agencies, presenting testimony on rate base calculations, rate of return, rate design, costing methodology, depreciation market forecasting, and ratemaking principles. Mr. King has also testified before House and Senate Committees on energy and telecommunications legislation pending before the U.S. Congress.

In telecommunications, Mr. King has testified before the Federal Communications Commission on a number of policy issues, service authorization, competitive impacts, video dialtone, and prescription of interstate depreciation rates. Before state regulatory bodies, he has presented testimony in proceedings on intrastate rates, costs earnings and depreciation.

Mr. King has testified in electric, gas and water utility cases on virtually every aspect of regulation, including cost of capital, revenue requirements, depreciation, cost allocation and rate design. Mr. King is one of the nation's leading authorities on utility depreciation practices, having testified on this subject in several dozen cases before state regulatory bodies.

In addition to his appearances as a witness in judicial and administrative proceedings, Mr. King has negotiated settlements among private parties and between private parties and regulatory offices. Mr. King also has directed depreciation studies, investment cost benefit analyses, demand forecasts, cost allocation studies and antitrust damage calculations. Mr. King directed analyses of the prices of services under Federal Government's FTS2000 long distance system.

In Canada, Mr. King designed and directed an extended inquiry into the principles and procedures for regulating the telecommunication carriers subject to the jurisdiction of the Canadian Transport Commission. He also was the principal investigator in the Canadian Transport Commission's comprehensive review of rail costing procedures.

EBS Management Consultants, Inc., Washington, DC

Director, Economic Development Department (1968-1970)

Mr. King organized and directed a five-person staff of economists performing research, evaluation, and planning relating to economic development of depressed areas and communities within the U.S. Most of this work was on behalf of federal, state, and municipal agencies responsible for community or regional economic development.

Principal Consultant (1966-1968)

Mr. King conducted research on a broad range of economic topics, including transportation, regional economic development, communications, and physical distribution.

W.B. Saunders & Company, Inc., Washington, DC

Staff Economist (1962-1966)

For this economic consulting firm, which later merged with EBS Management Consultants, Inc., Mr. King engaged in numerous research efforts relating primarily to economic development and transportation.

U.S. Bureau of the Budget, Office of Statistical Standards

Analytical Statistician (1961-1962)

Mr. King was responsible for the review of all federal statistical and data-gathering programs relating to transportation.

Education

Washington & Lee University, B.A. in Economics

The George Washington University, M.A. in Government Economic Policy

CHARLES W. KING
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(202) 371-1111

Appearances before State Regulatory Agencies

State	Electric, Gas, Water Utility Cases			Date of Cross-Examination
	Client	Case		
		Case Number	Utility	
AK	Exxon USA	P-89-1,2	Trans Alaska Pipeline System	October 18, 1990
AZ	Arizona Corporation Commission	U-1345-I	Arizona Public Service Co.	December 16, 1980
	Arizona Retailers Association	U-1345-II	Arizona Public Service Co.	January 15, 1981
CA	California Retailers Association	57666	Pacific Gas & Electric Co.	March 6, 1978
	California Retailers Association	57602	Southern California Edison	April 25, 1978
	California Retailers Association	59351	Pacific Gas & Electric Co.	June 12, 1981
	California Retailers & California Manufacturers	59351	Southern California Edison	May 20, 1982
	California Retailers Association	61138	Southern California Edison	May 28, 1982
CO	U. S. Department of Defense	I&S 1100	Colorado Springs (Elec)	June 14, 1977
	J.C. Penney Company	5693	All Electric Utilities	March 8, 1978
	U.S. Department of Defense	I&S 1339	Colorado Springs DPU (Gas)	October 18, 1979
	U. S. Department of Defense	I&S 1540	Colorado Springs DPU (Gas)	February 9, 1982
	U.S. Department of Defense	C. Council	Colorado Springs DPU (Gas)	September 30, 1984
	U.S. Department of Defense	C. Council	Colorado Springs DPU (Elec)	June 6, 1985
	U.S. Department of Defense	C. Council	Colorado Springs DPU (Elec)	May 19, 1986
	U.S. Department of Defense	C. Council	Colorado Springs DPU (Elec)	June 30, 1987
CT	Retailers Merchants Association	72-0204	Various Electric Utilities	July 22, 1976
	Division of Consumer Counsel	76-0604,5	CL&P and HELCO	November 10, 1977
	Public Utilities Control Auto	78-0303	Bridgeport Hydraulic Co.	(none)
	Division of Consumer Counsel	80-0403,4	CL&P and HELCO	August 11, 1980
	Division of Consumer Counsel	81-0413	United Illuminating Company	July 20, 1981
	Division of Consumer Counsel	81-0602,4	CL&P and HELCO	October 5, 1981
	Division of Consumer Counsel	82-0701	CL&P	September 28, 1982
	Coalition of Hotels, Alloys & Retailers	85-10-22	CL&P	(none)
	Coalition of Hotels, Alloys & Retailers	87-07-01	CL&P	April 25, 1988

CHARLES W. KING
Appearances before State Regulatory Agencies

State	Electric, Gas, Water Utility Cases			Date of Cross-Examination
	Client	Case		
		Case Number	Utility	
DC	D.C. People's Counsel	685	Potomac Electric Power Company	March 6, 1978
	D.C. People's Counsel	715	Potomac Electric Power Company	(none)
	D.C. People's Counsel	725	Potomac Electric Power Company	April 4, 1980
	D.C. People's Counsel	737	Potomac Electric Power Company	January 1, 1981
	Washington Metro Area Transit Authority	748	Potomac Electric Power Company	June 26, 1981
	Washington Metro Area Transit Authority	758	Potomac Electric Power Company	December 15, 1981
	D.C. People's Counsel	785	Potomac Electric Power Company	September 21, 1982
	Washington Metro Area Transit Authority	759	Potomac Electric Power Company	March 29, 1984
	D.C. People's Counsel	685 Remand	Potomac Electric Power Company	June 10, 1985
	D.C. People's Counsel	905	Potomac Electric Power Company	August 20, 1991
	D.C. People's Counsel	912	Potomac Electric Power Company	May 7, 1992
	D.C. People's Counsel	834, III	Potomac Electric Power Company	May 22, 1992
	D.C. People's Counsel	917	Potomac Electric Power Company	September 24, 1992
	D.C. People's Counsel	922	Washington Gas Light Company	June 15, 1993
	D.C. People's Counsel	929	Potomac Electric Power Company	December 16, 1993
	D.C. People's Counsel	934	Washington Gas Light Company	Filed April 22, 1994
	D.C. People's Counsel	939	Potomac Electric Power Company	March 16, 1995
	D.C. People's Counsel	917	Potomac Electric Power Company	April 16, 1995
	D.C. People's Counsel	951	Potomac Electric Power Company	February 20, 1997
	D.C. People's Counsel	945	Potomac Electric Power Company	September 29, 1999
	D.C. People's Counsel	847	Washington Gas Light Company	June 27, 2001
	D.C. People's Counsel	989	Washington Gas Light Company	May 22, 2002
	D.C. People's Counsel	1016	Washington Gas Light Company	September 23, 2003
	D.C. People's Counsel	1053	Potomac Electric Power Company	June 27, 2007
DE	Delaware PSC Staff	94-164	Artesian Water Company	Filed March 10, 1995
	Delaware PSC Staff	94-149	Wilmington Suburban Water Company	March 10, 1995
	Delaware PSC Staff	04-152	Tidewater Utilities Company	Filed July 26, 2004
FL	Florida Retail Federation	790593-EU	All Electric Utilities	March 5, 1981
	Florida Retail Federation	810002-EU	Florida Power and Light Company	July 23, 1981
	Florida Retail Federation	820097-EU	Florida Power and Light Company	September 22, 1982
	Florida Retail Federation	820097-EU	Florida Power and Light Company	April 11, 1983
	Florida Retail Federation	830012-EU	Tampa Electric Company	August 19, 1983
	Florida Retail Federation	830465-EI	Florida Power and Light Company	April 19, 1984
	Florida Retail Federation	830465-EI	Tampa Electric Company	(none)

CHARLES W. KING
Appearances before State Regulatory Agencies

State	Electric, Gas, Water Utility Cases			Date of Cross-Examination
	Client	Case		
		Case Number	Utility	
GA	Georgia Retail Federation	3270-U	Georgia Power Company	September 3, 1981
	Georgia Public Service Commission	4007-U	Georgia Power Company	August 21, 1991
	Georgia Public Service Commission	4384-U	All Electric Utilities	August 1, 1993
	Georgia Public Service Commission	4755-U	Georgia Power Company	January 25, 1994
	Georgia Public Service Commission	4697-U	All Utilities	May 10, 1994
	Georgia Public Service Commission	9355-U	Georgia Power Company	November 4, 1998
	Georgia Public Service Commission	14000-U	Georgia Power Company	October 23, 2001
	Georgia Public Service Commission	14618-U	Savannah Electric & Power Company	March 27, 2002
	Georgia Public Service Commission	14311-U	Atlanta Gas Light Company	April 8, 2002
	Georgia Public Service Commission	17066-U	Georgia Power Company	July 31, 2003
	Georgia Public Service Commission	18300-U	Georgia Power Company	October 26, 2004
	Georgia Public Service Commission	18638-U	Atlanta Gas Light Company	March 14, 2005
	Georgia Public Service Commission	19758-U	Savannah Electric & Power Company	March 29, 2005
	Georgia Public Service Commission	20298-U	Atmos Energy Corp.	October 11, 2005
	Georgia Public Service Commission	25060-U	Georgia Power Company	Filed October 22, 2007
	Georgia Public Service Commission	27163	Atmos Energy Corp.	August 16, 2008
HI	Public Utilities Department	2793	All Electric Utilities	February 14, 1978
	Hawaii Consumer Advocate	4536	Hawaiian Electric Company	February 1, 1983
IL	Illinois Retail Merchants Association ("IRMA"/ Chicago Bldg. Mgrs. Association ("CBMA")	76-0698	Commonwealth Edison	June 22, 1977
	IRMA/CBMA	76-0568	All Electric Utilities	(none)
	IRMA/CBMA	80-0546	Commonwealth Edison	March 5, 1981
	IRMA/CBMA	82-0026	Commonwealth Edison	July 22, 1982
	IRMA/CBMA	83-0537	Commonwealth Edison	March 19, 1984
	IRMA/CBMA	87-0427	Commonwealth Edison	March/April 22, 1988
	IRMA/CBMA	90-0169	Commonwealth Edison	October 29, 1990
	City of O'Fallon, IL	02-0690	Illinois-American Water Company	Filed Feb.5, Apr.11,2003
IN	Indiana Retail Council	35780-S2	N. Ind. Public Service co.	June 1, 1980
	Indiana Retail Council	35780-S1	Public Service of Indiana	October 15, 1980
	Indiana Retail Council	36318	Public Service of Indiana	May 4, 1982
KS	J.C. Penney Company	115,379-U	All Kansas Utilities	January 22, 1981

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Appearances before State Regulatory Agencies

State	Electric, Gas, Water Utility Cases			Date
	Client	Case		
		Case Number	Utility	
KY	Seven Kentucky Retailers	7310	Louisville Gas & Electric Co.	April 25, 1979
	Attorney General of Kentucky	2002-145	Columbia Gas of Kentucky	Filed August 8, 2002
	Attorney General of Kentucky	2003-252	Union Heat Light & Power Co.	September 30, 2003
	Attorney General of Kentucky	2004-67	Delta Gas Company	August 18, 2004
	Attorney General of Kentucky	2006-00646	Atmos Energy Corp.	Filed April 27, 2007
	Attorney General of Kentucky	2007-00008	Columbia Gas of Kentucky	Filed June 12, 2007
	Attorney General of Kentucky	2007-00089	Delta Gas Company	Filed August 14, 2007
MA	Coalition of Municipalities	20279	Western Massachusetts Electric	March 19, 1980
	Coalition of Municipalities	557/558	Western Massachusetts Electric	May 14, 1981
	Coalition of Municipalities	957	Western Massachusetts Electric	March 9, 1982
	Coalition of Municipalities	1300	Western Massachusetts Electric	January 1, 1983
	Coalition of Municipalities	85-270	Western Massachusetts Electric	March 26, 1986
MD	Maryland People's Counsel	6977	Washington Gas & Light Company	September 17, 1976
	Maryland People's Counsel	6814	Potomac Electric Power Company	
	Maryland People's Counsel	6807	All Electric Utilities	September 1, 1977
	Maryland People's Counsel	6882	Baltimore Gas & Electric Company	(none)
	Maryland People's Counsel	6985	Baltimore Gas & Electric Company	September 28, 1976
	Maryland People's Counsel	7070	Baltimore Gas & Electric Company	December 20, 1976
	Maryland People's Counsel	7149	Potomac Electric Power Company	April 18, 1978
	Maryland People's Counsel	7163	All Electric Utilities	January 17, 1979
	Maryland People's Counsel	7236	Delmarva Power & Light Company	October 23, 1978
	Maryland People's Counsel	7397	Baltimore Gas & Electric Company	June 20, 1980
	Retail Merchants of Baltimore	7427	Delmarva Power & Light Company	September 8, 1980
	Maryland People's Counsel	7574	Baltimore Gas & Electric Company	December 2, 1981
	Maryland People's Counsel	7597	Potomac Electric Power Company	February 18, 1982
	Maryland People's Counsel	7604	Potomac Electric Power Company	April 20, 1982
	Organization of Consumer Justice	7588	Baltimore Gas & Electric Company	October 19, 1982
	Maryland People's Counsel	7663	Potomac Electric Power Company	November 22, 1982
	Maryland People's Counsel	7685	Baltimore Gas & Electric Company	April 12, 1983
	Retail Merchants of Baltimore	7878	Potomac Electric Power Company	December 9, 1985
	Genstar Stone Products, et al.	7878	Potomac Electric Power Company	June 28/July 1986
	Industrial Intervenors	7983	Baltimore Gas & Electric Company	March 4, 1987
	Maryland People's Counsel	8855	Baltimore Gas & Electric Company	January 8, 2003
	Giant Foods, Inc.	9036	Baltimore Gas & Electric Company	September 29, 2005
	Maryland People's Counsel	9092	Potomac Electric Power Company	April 16, 2007
	Maryland People's Counsel	9093	Delmarva Power & Light Company	April 9, 2007
	Maryland People's Counsel	9104	Washington Gas & Light Company	August 23, 2007
	Maryland People's Counsel	9096	Baltimore Gas & Electric Company	September 24, 2007
	Maryland People's Counsel	9103	Washington Gas & Light Company	filed December 21, 2007
	Maryland People's Counsel			

CHARLES W. KING
Appearances before State Regulatory Agencies

State	Electric, Gas, Water Utility Cases			Date of Cross-Examination
	Client	Case		
		Case Number	Utility	
MI	General Services Administration	U-10102	Detroit Edison Company	March 22, 1993
	Michigan Attorney General	U-11722	Detroit Edison Company	November 6, 1998
	Michigan Attorney General	U-11772	Consumers Energy/Detroit Edison	November 16, 1998
	Michigan Attorney General	U-11495	Detroit Edison Company	December 8, 1999
	Michigan Attorney General	U-11956	Consumer Energy/Detroit Edison	December 15, 1999
	Michigan Attorney General	U-12505	Consumers Energy Company	September 7, 2000
	Michigan Attorney General	U-12478	Detroit Edison Company	October 5, 2000
	Michigan Attorney General	U-12639	Consumers Energy/Detroit Edison	July 18, 2001
	Michigan Attorney General	U-13000	Consumers Energy Company	January 29,2002
	Michigan Attorney General	U-13380	Consumers Energy Company	September 9, 2002
	Michigan Attorney General	U-13715	Consumers Energy Company	April 24, 2003
	Michigan Attorney General	U-13808	Detroit Edison Company	Dec 12, 2003; Jan 30, Mar 5, 04
	Michigan Attorney General	U-12999	Consumers Energy Company	March 10, 2004
	Michigan Attorney General	U-13898,9	Michigan Consolidated Gas Co.	August 23, 2004
	Michigan Attorney General	U-14201	Detroit Edison Company	Filed December 5, 2004'
	Michigan Attorney General	U-14274	Consumers Energy Company	Filed February 15, 2005
	Michigan Attorney General	U-14148	Consumers Energy Company	Filed March 2, 25, 2005
	Michigan Attorney General	U-14399	Detroit Edison Company	July 29, 2005
	Michigan Attorney General	U-14428	Detroit Edison Company	September 7, 2005
	Michigan Attorney General	U-14292	All Michigan Utilities	September 27, 2005
	Michigan Attorney General	U-13808-R	Detroit Edison Company	November 7, 2005
	Michigan Attorney General	U-14547	Consumers Energy Company	Nov.7, 2005; Mar. 22, 2006
	Michigan Attorney General	U-14701	Consumers Energy Company	March 21, 2006
	Michigan Attorney General	U-14526	Consumers Energy Company	April 11.2006
	Michigan Attorney General	U-14561	All Gas Distribution Utilities	June 1, 2006
	Michigan Attorney General	U-15002	Detroit Edison Company	December 8, 2006
	Michigan Attorney General	U-15245	Consumers Energy Company	December 11, 2007
	Michigan Attorney General/ABATE	U-15417	Detroit Edison Company	April 2, 2008
	Michigan Attorney General	U-15244	Detroit Edison Company	July 15, 2008
	Michigan Attorney General/ABATE	U-15506	Consumers Energy Company	September 12, 2008
	Michigan Attorney General/ABATE	U-15002-R	Detroit Edison Company	October 16, 2008
	Michigan Attorney General			
MN	Minnesota Retail Federation	EOO2/6R-77-611	Northern States Power	1979
MO	Missouri Retailers Association	EO-78-161	Kansas City Power & Light Company	February 19, 1981
	Missouri Public Counsel	ER-2006-0315	Empire District Electric Company	September 14, 2006
	Missouri Public Counsel	GR-2007-0003	Ameren UE (Gas)	Filed December 15, 2006
	Missouri Public Counsel	ER-2007-0002	Ameren UE (Electric)	March 22, 2007
NC	North Carolina Merchants Association	E-100	All Electric Utilities	December 18, 1975

CHARLES W. KING
Appearances before State Regulatory Agencies

State	Electric, Gas, Water Utility Cases			Date
	Client	Case		
		Case Number	Utility	
ND	North Dakota Public Service Commission	PU-400-00-521	Xcel Energy, Inc.	April 20, 2001
	North Dakota Public Service Commission	PU-399-01-186	Montana-Dakota Utilities (Electric)	February 25, 2002
	North Dakota Public Service Commission	PU-399-02-183	Montana-Dakota Utilities (Gas)	October 7, 2002
	North Dakota Public Service Commission	PU-399-02-183	Montana-Dakota Utilities (Gas Depr.)	Filed April 7, 2003
	North Dakota Public Service Commission	PU-399-03-296	Montana-Dakota Utilities (Electric)	Filed October 15, 2003
	North Dakota Public Service Commission	PU-04-97	Montana-Dakota Utilities (Gas)	Filed July 6, 2004
	North Dakota Public Service Commission	PU-06-525	Northern States Power (Gas)	Filed May 1, 2007
	North Dakota Public Service Commission	PU-07-776	Northern States Power (Electric)	June 25, 2008
NH	Business & Industry Association of N.H.	79-187-II	Public Service of N.H.	February 6, 1981
	Business & Industry Association of N.H.	80-260	Public Service of N.H.	February 5, 1981
	Business & Industry Association of N.H.	82-333	Public Service of N.H.	November 2, 1983
NJ	N.J. Retail Merchants Association	803-151	All New Jersey Utilities	March 31, 1981
	Department of Public Advocate	815-459	N.J. Natural Gas Company	(none)
	Resorts International Hotel, Inc.	8011-827	Atlantic City Sewerage Co.	(none)
	Dept. of Public Advocate	822-116	Atlantic City Electric Co.	August 11, 1982
	Dept. of Public Advocate	355-87	Elizabethtown Gas	June 9, 1987
	Dover Township Fire Chiefs	88-080967	Tom's River Water Company	February 22, 1989
NY	NY Council of Retail Merchants	26806	All Electric Utilities	February 3. 1976
	Metropolitan N.Y. Retail Council	27029	Consolidated Edison Company	(none)
	Metropolitan N.Y. Retail Council	27136	Long Island Lighting Company	July 1, 1977
	N.Y. Metro. Transit Authority	27353	Consolidated Edison Company	September 5, 1980
OH	Ohio Council of Retail Association	88-170-EL	Cleveland Elec. Illuminating	(none)
	Ohio Council of Retail Association	83-1529-EL	Cincinnati Gas & Electric	February 15, 1992
	Ohio Energy Group	08-936-EL-SSO	FirstEnergy Companies	Filed September 25, 2008

CHARLES W. KING
Appearances before State Regulatory Agencies

State	Electric, Gas, Water Utility Cases			Date
	Client	Case		
		Case Number	Utility	
PA	Pennsylvania Retail Association Southeastern Pa. Transp. Authority Eastern Penn Energy Users Group Eastern Penn Energy Association Penn Business Utility User Group Pennsylvania Office of Consumer Advocate Pennsylvania Office of Public Advocate	76-PRMD-7 R-811626 R-822169 R-842651 R-850152 R-00016339 R-2008-203269	All Electric Utilities Philadelphia Electric Company Penn. Power & Light Company Penn. Power & Light Company Philadelphia Electric Company Pennsylvania-American Water Co. Pennsylvania-American Water Co.	September 7, 1977 December 11, 1981 March/April 1983 December 3, 1984 February 19, 1986 September 19, 2001 August 6, 2008; Sept.15, 2008
TN	Attorney General of Tennessee Attorney General of Tennessee	07-00105 08-00039	Atmos Energy Corp. Tennessee-American Water Co.	Filed August 21, 2007 August 26, 2007
TX	Houston Retailers Association Houston Retailers Association Cities for Fair Utility Rates	5779 6765 8425/8431	Houston Lighting Company Houston Lighting Company Houston Lighting Company	October 19, 1984 September 25, 1986 April 25, 1989
UT	Div. Of Public Utilities Dept of Commerce Div. Of Public Utilities Dept of Commerce Div. Of Public Utilities Dept of Commerce	98-2035-33 05-057-T01 07-035-13	Pacific Corp Questar Gas Company Rocky Mountain Power Co.	Filed August 16, Sept 22, 1999 May 17, 2006 Filed October 15, 2007
VA	Consumer Congress of Virginia Consumer Congress of Virginia Va. Business Committee on Energy Virginia Pipe Trades Council	19426 19960 PUE 7900012 PUE 8900051	Virginia Electric Power Company Virginia Electric Power Company Virginia Electric Power Company Old Dominion Electric Corp. &	July 1, 1975 September 19, 1978 February 25, 1981 October 31, 1989
WA	WA Attorney General - Public Counsel WA Attorney General - Public Counsel WA Attorney General - Public Counsel	UE-072300;UG-072301 UE-080220 UE-08416;UG-08417	Puget Sound Energy PacifiCorp Avista Utilities	Filed May 30, 2008 Filed August 15, 2008 September 19;October 10, 2008
WI	Wisconsin Merchants Federation	6630-ER-2	Wisconsin Electric Power Company	May 15, 1978

CHARLES W. KING
Appearances before State Regulatory Agencies

State	Telecommunications Cases			Date of Cross-Examination
	Client	Case		
		Case Number	Utility	
AL	U.S. Department of Defense	24472	All Telephone Companies	June 14, 1995
AK	GCI Communications, Inc. GCI Communications, Inc.	U-97-82,U-97-143 U-05-46	Alaska Communications Systems Matanuska Telephone Association	Filed Feb 25, April 5, 2004 October 28, 2005
AZ	Arizona Burglar & Fire Alarm Association Arizona Burglar & Fire Alarm Association Federal Executive Agencies U.S. Department of Defense	9981-E- 1051-80-64 E-1051-88-146 T-01051B-99-0105	Mountain State Telephone Mountain State Telephone Mountain State Telephone US WEST Communications	(none) (none) Filed July 26, Sept 8, 2000
CA	Western Burglar & Fire Alarm Association Western Burglar & Fire Alarm Association Western Burglar & Fire Alarm Association Western Burglar & Fire Alarm Association Western Burglar & Fire Alarm Association Western Burglar & Fire Alarm Association Western Burglar & Fire Alarm Association Western Burglar & Fire Alarm Association California Cellular Resellers Federal Executive Agencies California Cellular Resellers Cellular Services, Inc. Federal Executive Agencies	59849 5984cont. A83-01-22 A83-02-02 A82-11-07 A85-01-034 A87-01-02 A88-07-17019 A.88-11-1040 1.87-11-033 1.88-11-040 1.88-11-040 A92-05-004	Pacific Telephone & Telegraph Pacific Telephone & Telegraph Pacific Telephone & Telegraph General Telephone of California Pacific Telephone & Telegraph Pacific Telephone & Telegraph General Telephone of California Pac. Bell Tel. & GTE of CA. All Cellular Carriers All Telephone Companies All Cellular Carriers All Cellular Carriers Pacific Telephone & Telegraph	March 25, 1981 June 23, 1982 June 29, 1983 January 17, 1984 Jan. 18, Oct. 31, Nov 28, 1984 June 4, 1985, October 2, 1986 October 22, 1987 January 23, 1989 August 11, 1989 March 6-7, 1991 August 19, 1991 October 3, 1991 June 9, 1993
CO	U.S. Department of Defense U.S. Department of Defense U.S. Department of Defense U.S. Department of Defense Colorado Municipal League U.S. Department of Defense U.S. Department of Defense U.S. Department of Defense U.S. Department of Defense U.S. Department of Defense U.S. Department of Defense AT&T	I&S 717 I&S 1700 Appl. I&S 1766 Appl 36883 I&S 891-O82T 905-544T 90A-665T 92M-039T 92S-229T 90A-665T 96S-331T	Mountain Bell Telephone Company Mountain Bell Telephone Company Mountain Bell Telephone Company Mountain Bell Telephone Company Mountain Bell Telephone Company U.S. West Communications U.S. West Communications U.S. West Communications U.S. West Communications U.S. West Communications U.S. West Communications U.S. West Communications	1972 (none) September 18, 1986 November 28, 1988 December 13, 1988 February 21, 1990 July 17, 1991 October 23, 1991 February 24-24, 1992 July 30-31, 1992 November 6, 1996 April 17, 1997

CHARLES W. KING
Appearances before State Regulatory Agencies

State	Telecommunications Cases			Date of Cross-Examination
	Client	Case		
		Case Number	Utility	
CT	Connecticut Consumer Counsel	770526	Southern New England Telephone Co.	November 10, 1977
	CT Cellular Resellers Assn.	89-12-05	Southern New England Telephone Co.	(none)
	CT Cellular Resellers Coalition	94-03-27	Springwich Cellular/Bell Atlantic	May 16, June, 1994
	AT&T	AT&T/SNET Arbitration	Southern New England Telephone Co.	Filed October 28, 1996
	Connecticut Consumer Counsel	96-04-07	Southern New England Telephone Co.	February 10,1998
	Connecticut Consumer Counsel	00-07-17	Southern New England Telephone Co.	December 5, 2000
DC	D.C. People's Counsel	729	Chesapeake & Potomac Tel. Co.	May 13, 1980
	D.C. People's Counsel	798	Chesapeake & Potomac Tel. Co.	July 18, 1983
	General Services Administration	827	Chesapeake & Potomac Tel. Co.	May 7, 1985
	General Services Administration	854	Chesapeake & Potomac Tel. Co.	April 16, 1987
	General Services Administration	850	Chesapeake & Potomac Tel. Co.	October 7, 1991
	General Services Administration	926	Chesapeake & Potomac Tel. Co.	October 7, 1993
DE	Public Service Commission	Depr.Repre	Diamond State Telephone Co.	April 1, 1985
	Federal Executive Agencies	86-20	Diamond State Telephone Co.	July 31, 1987
	Public Service Commission	Depr.Repre	Diamond State Telephone Co.	March 8, 1988
FL	GTE Sprint Communications Company	720536-TP	All Telephone Companies	September 12, 1983
	Office of Public Counsel	Depr.Repre	Southern Bell	July 30, 1986
	Federal Executive Agencies	880069-TL	Southern Bell	July 21, 1988
	Federal Executive Agencies	880069-TL	Southern Bell	November 30, 1990
	Federal Executive Agencies	880069-TL	Southern Bell	February 11, 1992
GA	Georgia Attorney General	3893-U	Southern Bell Telephone Co.	January 8, 1990
	Federal Executive Agencies	3905-U	Southern Bell Telephone Co.	June 12, 1990
	Federal Executive Agencies	3987-U	Southern Bell Telephone Co.	February 13, 1992
	Georgia Public Service Commission	4018-U	Southern Bell Telephone Co.	Jan 14, Feb 10, 1993
HI	Hawaii Public Utility Commission	1871	Hawaiian Telephone Company	July 8, 1971
	Four Hawaii Counties	4588	Hawaiian Telephone Company	December 15, 1983
	Department of Defense	7579	Hawaiian Telephone Company	April 26, 1994
	Department of Defense	94-0093	Oceanic Communications	March 13, 1995
	Department of Defense	7702	All Communications Carriers	June 2, 1995
	Department of Defense	94-0298	GTE Hawaiian Telephone Company	May 7, 1996
	Department of Defense	7720	Verizon-Hawaii	November 15, 2000

CHARLES W. KING
Appearances before State Regulatory Agencies

State	Telecommunications Cases			Date of Cross-Examination
	Client	Case		
		Case Number	Utility	
ID	U.S. Department of Energy U.S. Department of Energy	U-1000-63 U-1000-70	Mountain Bell Telephone Co. Mountain Bell Telephone Co.	May 16, 1983 March 6, 1984
IL	Illinois Alarm Companies Attorney General of Illinois GTE Sprint Communications Co. Federal Executive Agencies	79-0143 81-0478 83-0142 89-0033	Illinois Bell Telephone Illinois Bell Telephone All Telephone Companies Illinois Bell Telephone	September 26, 1979 December 28, 1981 August 4, 1983 June 12, 1989
KS	State Corporation Commission Federal Executive Agencies Federal Executive Agencies	Depr. Repr. 166.856-U 190, 492	Southwestern Bell Southwestern Bell All Telephone Companies	May 12-14, 1986 November 7, 1989 November 4, 1994
KY	Kentucky Cable Telecommunications Assn. Kentucky Cable Telecommunications Assn.	2000-414 2000-39	Blue Grass Energy Cooperative Cumberland Valley Electric, Inc.	January 11, 2001 January 11, 2001
MD	Maryland People's Counsel Maryland People's Counsel Maryland People's Counsel Maryland People's Counsel Federal Executive Agencies Federal Executive Agencies Federal Executive Agencies	6813 6881 7025 7467 7851 8106 8274	C&P Telephone Company C&P Telephone Company C&P Telephone Company C&P Telephone Company C&P Telephone Company C&P Telephone Company C&P Telephone Company	1975 December 17, 1975 March 15, 1975 October 20, 1981 March 20, 1985 May 9, 1988 August 2, 1990
MI	Michigan Attorney General Michigan Attorney General	U-8911 U-9553	Michigan Bell Telephone Co. AT&T Communications/MCI	November 7, 1988 December 4, 1990
MN	GTE Sprint Communications Co. U.S. Department of Defense	83-102-HC 87-021-BC	All Telephone Companies Northwest Bell Telephone Co.	August 5, 1983 (none)

CHARLES W. KING
Appearances before State Regulatory Agencies

State	Telecommunications Cases			Date of Cross-Examination
	Client	Case		
		Case Number	Utility	
MO	GTE Sprint Communications Co. Federal Executive Agencies Federal Executive Agencies	TR83-253 TC-89-14 TO-89-56	Southwestern Bell Tel. Co. Southwestern Bell Tel. Co. Southwestern Bell Tel. Co.	September 5, 1983 (none) November 7, 1990
MS	Federal Executive Agencies	U-5453	South Central Bell Tel. Co.	May 15, 1990
NJ	Department of Public Advocate Department of Public Advocate Department of Public Advocate Department of Public Advocate Department of Public Advocate Department of Public Advocate	Depr.Repr. 815-458 Depr.Repr. Depr.Repr. T092030358 TMO05080739	N.J. Bell Telephone Company N.J. Bell Telephone Company N.J. Bell Telephone Company N.J. Bell Telephone Company N.J. Bell Telephone Company United Telephone Co. of New Jersey	Mar-79 October 15, 1981 March 1, 1982 February 1, 1985 September 30, 1992 January 5,2006
NM	New Mexico Corporation Commission New Mexico Corporation Commission	1032 86-151-TC	Mountain Bell Telephone Co. General Telephone of Southwest	November 14, 1983 February 5, 1987
NV	Prime Cable of Las Vegas Prime Cable of Las Vegas	95-8034/8035 96-9035	Central Telephone - NV Sprint/Centel, Nevada Bell	Filed November 22, 1995 June 2, 1997
NY	Holmes Protection, Inc. Holmes Protection, Inc. 5 Alarm Companies GTE Sprint Communications Co.	27350 27469 27710 28425	New York Telephone Company New York Telephone Company New York Telephone Company All Telephone Companies	October 17, 1978 May 17, 1979 July 24, 1980 July 8, 1983
PA	City of Philadelphia	R-832316	Pennsylvania Bell Telephone	September 20, 1983
SC	Office of Consumer Advocate Office of Consumer Advocate Office of Consumer Advocate Office of Consumer Advocate Office of Consumer Advocate	Depr.Repr. 86-511-C 86-541-C Depr.Repr. 89-180-C	Southern Bell Southern Bell General Telephone of South Southern Bell ALLTEL of South Carolina	July 1, 1986 December 11, 1986 April 8, 1987 July 10, 1989 September 26, 1989

CHARLES W. KING
Appearances before State Regulatory Agencies

State	Telecommunications Cases			Date of Cross-Examination
	Client	Case		
		Case Number	Utility	
TX	U.S. Department of Defense	8585/8218	Southwestern Bell Telephone Co.	(none)
VA	U.S. Dept. Of Defense, GSA, et Federal Executive Agencies	19696 PUC 890014	C&P Telephone Company All Telephone Companies	October 6, 1976 February 13, 1989
VI	V.I. Department of Commerce V.I. Public Service Commission	205 341	Virgin Islands Telephone Co. Virgin Islands Telephone Co.	April 29, 1980 March 20, 1991
WA	U.S. Department of Defense U.S. Department of Defense U.S. Department of Defense U.S. Department of Defense WA Attorney General/TRACER U.S. Department of Defense U.S. Department of Defense WA Attorney General/TRACER WA Attorney General/TRACER U.S. Department of Defense WA Attorney General/WeBTEC/AARP WA Attorney General WA Attorney General	U-72-39 U-87-796-T U-88-20524 U-89-2698-F UT-940641 UT-941464 UT-951425 UT-961632 UT-021120 UT-040788 UT-040520 UT-050814	Pacific Northwest Bell Pacific Northwest Bell Pacific Northwest Bell US West Communications US West Communications US West Communications US West Communications US West Communications GTE Northwest, Inc Qwest Communications Verizon Northwest, Inc. Verizon Northwest, Inc. Verizon - MCI Merger	1973 December 20, 1983 November 8, 1988 November 28, 1989 Filed October 14, 1994 June 22, 1995 January 22, 1996 Filed June 23, 1997 July 29, 1997 May 22, 2003 August 12, 2004 February 2, 2005 November 2, 2005
WI	GTE Sprint Wisconsin Consumers Utility Board Wisconsin Consumers Utility Board	6720-TR-38 2055-TR-102 5846-TR-102	All Telephone Companies CenturyTel of Central Wisconsin Telephone USA, LCC	October 20, 1983 June 26, 2002 June 26, 2002

CHARLES W. KING
Appearances before Federal Regulatory Agencies

Client	Docket	Subject	Date of Cross-Examination
Federal Communications Commission			
Department of Defense	16020	Consat Rate of Return	1973
Airline Parties	16258	Bell System Rates	July 22, 1968
Airline Parties	18128	TELPAK	3/22, 10/15 1971, Feb. 22, 1972
National Data Corporation	19989	WATS	(none)
Press Wire Services	19919	Private Line Rates	(none)
Aeronautical Radio	20814	Private Line Rates	October 5, 1978
Department of Defense	20690	1,544 Mbps Service	January 30, 1979
State of Hawaii	21263	Interstate Separation	February 7, 1979
International Record Carriers	CC78-97	Telex/TWX Rates	March 6, 1980
ITT World Communications	CC84-633	Rate of Return	(none)
Aeronautical Radio	CC78-72	Access Line Charges	(none)
MCI	CC84-800	Rate of Return	(none)
Ind. Data Com. Mfg. Assn.	CC85-26	AT&T Accounting Plan	(none)
Tymnet, Inc.	ENF84-22	Packet Switching Costs	(none)
Adelphia Jones Intercable, et. al.	Bell Atlantic	Video Dialtone	Filed 7/29/94
Adelphia Jones Intercable, et. al.	Bell Atlantic	Video Dialtone	Filed 8/23/94
Adelphia Jones Intercable, et. al.	Bell Atlantic	Video Dialtone	Filed 2/21/95
Nuclear Regulatory Commission			
Fauquier League for Environment Protection	50-328 50-329	Va. Electric Power Co.	1976
Postal Rate Commission			
Association of Third Class Mail Users	R71-1	Rates	1970
Dow Jones & Company	R72-1	Rates	1972
Dow Jones & Company	R74-1	Rates	September 13, 1974
Dow Jones & Company	MC76-2	Rate Structure	January 6, 1979
Dow Jones & Company	MC79-3	Rate Structure	September 12, 1979
Dow Jones & Company	R80-1	Rates	November 25, 1980
Warshawsky & Company	C82-1	Rate Structure	(none)
Dow Jones & Company	R84-1	Postal Costs	June 14, 1984
Dow Jones & Company	R87-1	Rate Structure Costs	November 2, 1987
Dow Jones & Company	R90-1	Rate Structure Costs	Sept 12, Oct 10, 1990
Dow Jones & Company	MC91-1	Pre-barcoding Discounts	November 19, 1991
Dow Jones & Company	MC91-3	Palletization Discounts	March 2, 1992

CHARLES W. KING
Appearances before Federal Regulatory Agencies

Client	Docket	Subject	Date of Cross-Examination
U.S. Congress			
National Retail Merchants Association	House/Senate Hearings	Electric Rate Reform Legislation	1976, 1977 & 1979
National Wireless Resellers Association	House Commerce Committee	Interconnection & Resale of Wireless Services	October 12, 1995
Federal Maritime Commission			
State of Hawaii	71-18	Ocean Shipping Rates	October-71
Foss Alaska Line	79-54	Barge Rate Increase	July 1979
Palmetto Shipping and Stevadoring	85-20	Vessel Charge Liability	October 27, 1986
Interstate Commerce Commission - Surface Transportation Board			
Western Coal Traffic League	Ex Parte 349	R.R. Rate Increase	May-76
Western Coal Traffic League	Ex Parte 357	R.R. Rate Increase	Oct-78
Western Coal Traffic League	Ex Parte 375 (Sub1)	R.R. Rate Increase	June 1, 1980
Arkansas Power & Light Co.	37276	Cost of Capital	(none)
Central Illinois Light Co.	37450	Cost of Capital	March 10, 1981
Western Coal Traffic League	Ex Parte 347	Costing Methods	(none)
Snavely King Majoros O'Connor & Lee, Inc.	Ex Parte 664	Cost of Capital	December 8, 2006
Williams Energy Services, Inc	Ex Parte 582, Sub 1	Rail Merger Guidelines	April 5, 2001
Civil Aeronautics Board			
Thomas Cook, Inc.	36595	Air Fare Deregulation	(none)
Copyright Royalty Tribunal			
Public Broadcasting Service	88-2-86CD	Television Valuation	(none)

CHARLES W. KING
Appearances before Federal Regulatory Agencies

Client	Docket	Subject	Date
Federal Energy Regulatory Commission			
Exxon USA	OR89-2-000	Pipeline Quality Bank	October 18, 1990
Consumer Advocates of DE,DC,OH,MD,NJ,PA,WV,VA	ER08-386-000	Electric Transmission Cost of Equity	March 26, 2008
Consumer Advocates of DE,DC,OH,MD,NJ,PA,WV	ER08-23-000	Electric Transmission Cost of Equity	May 21, 2008
Maryland Office of People's Counsel	ER08-686-01	Electric Transmission Cost of Equity	April 7, 2008; July 8, 2008,
Maryland Office of People's Counsel	ER08-1329	Electric Transmission Cost of Equity	August, 2008
Canadian Transport Commission			
Rail Costing Inquiry, 1967-1969 Telecommunications Costing Inquiry, 1972-1975			

Attachment C

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July 21, 2009

Via Hand Delivery

Sandra S. Squire
Executive Secretary
Public Service Commission
201 Brooks Street
Charleston, West Virginia 25323

RECEIVED
2009 JUL 21 P 4: 51
WVA PUBLIC SERVICE COMMISSION
OFFICE

Re: Case No. 09-0871-T-PC

Dear Ms. Squire:

Pursuant to Rule 13.6.c of the Commission's Rules of Practice and Procedure, C.S.R. § 150-1-13.6.c, please find enclosed for filing, on behalf of the Joint Applicants in this proceeding one (1) copy of the **Responses To The First Set Of Interrogatories, Data Requests Or Requests For Information, Filed July 7, 2009, By The Communications Workers Of America, AFL-CIO** in the above-referenced matter.

Thank you for your attention to this matter.

Very truly yours,

Joseph J. Starsick, Jr.
(State Bar I.D. #3576)

JJSjr/sc
Enclosure

cc: Jeffrey Ray, Esq. (with enclosure)
Vincent Trivelli, Esq. (with enclosure)
Lisa Wansley-Layne, Esq. (with enclosure)
Steven Hamula, Esq. (with enclosure)
Pat Pearlman, Esq. (with enclosure)
Amanda M. Ream, Esq.
James Kelsh, Esq.

New FairPoint CEO seeks to avoid bankruptcy filing

July 1, 2009 3:01 PM ET

AP Associated Press

PORTLAND, Maine (AP) - The new head of FairPoint Communications said Wednesday the company will have to make some big changes to get out of its financial pinch, but he's optimistic it won't have to file for bankruptcy reorganization.

In his first day on the job, David Hauser acknowledged that FairPoint's reputation has been damaged by operational problems it has had since it took over Verizon Communications Inc.'s landline telephone and Internet business in northern New England.

He said fixing the company's problems requires restructuring debt, getting operations to run smoothly, cutting costs and listening to customers.

"I firmly believe I have a good shot at righting the ship," Hauser said in a phone interview from company headquarters in Charlotte, N.C.

FairPoint is now seeking to postpone a bond interest payment due in October on debts totaling $531 million. If it can't be put off, the company might seek alternative debt-restructuring plans, which could include bankruptcy, FairPoint said in a Securities and Exchange Commission filing last week.

"I have every intention of taking the steps we need to take without going through bankruptcy," Hauser said. "But that depends on other people also, like the debt holders."

FairPoint owns and operates 32 phone companies in 18 states, with a total of 1.7 million lines. Most of them are in northern New England, where last year it bought Verizon's assets in Maine, New Hampshire and Vermont for $2.3 billion.

Since taking total control of the Verizon system last winter, FairPoint has been plagued by customer service, billing and other operational problems.

The company's subscriber access line count fell roughly 200,000 in the 12-month period ending March 31. Now, with falling revenues brought on by a shrinking customer base and bill collection problems, the company says it might not be able to make its October interest payment.

If the company is forced into bankruptcy it would be able to restructure financially, which probably wouldn't have a direct impact on customers, said Andrew Hagler, director of telephone utility industries at the Maine Public Utilities Commission.

"It certainly wouldn't be a liquidation," Hagler said. "And in that context, continuing to provide service, continuing to bill for service and continuing to collect payment for service is entirely consistent with the interests of creditors."

Hauser took over as Fairpoint's chairman and chief executive officer after working for 35 years at Duke Energy Corp., most recently as its chief financial officer. He replaces FairPoint co-founder Eugene Johnson, who retired Tuesday.

CERTIFICATE OF SERVICE

I hereby certify that on 30 July 2009, I will serve a copy of the foregoing document, together with this Certificate of Service, upon the following parties, by causing a copy hereof to be delivered by United States, postage prepaid mail or electronically mailed and properly addressed to each such party.

Executed July 29, 2009, at Arlington, Virginia.

TERRANCE A. SPANN
Attorney for DOD/FEA

RECEIVED
2009 JUL 31 PM 3:38
SURFACE TRANSPORTATION BOARD

Service List For Docket 2009-220-C

Summary:	**Joint Application of Frontier Communications Corporation, New Communications of the Carolinas, Incorporated, New Communications Online and Long Distance, Incorporated, Verizon South, Incorporated, Verizon Long Distance, LLC and Verizon Enterprise Solutions, LLC for Approval of the Sale of Assets and the Transfer of Authority and Certificates**
Industry:	Telecommunications
Opened:	6/01/09

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