BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2008-327-C

In Re: Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Home Telephone Company, Inc. and for Alternative Regulation	)

PUBLIC VERSION

DIRECT TESTIMONY OF

WARREN R. FISCHER, C.P.A.

ON BEHALF OF

TIME WARNER CABLE INFORMATION SERVICES (SOUTH CAROLINA) LLC

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Exhibit WRF-6:	Cited Portions of Home's 2005 Telecommunications Company Annual Report
Exhibit WRF-7:	Cited Portions of Home's 2006 Telecommunications Company Annual Report
Exhibit WRF-8:	Cited Portions of AT&T South Carolina's 2007 Telecommunications Company Annual Report

1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS FOR**
3 **THE RECORD.**

4 A. My name is Warren R. Fischer. I currently serve as Chief Financial Officer for QSI
5 Consulting, Inc. ("QSI"). My business address is 2500 Cherry Creek Drive South,
6 Suite 319, Denver, Colorado 80209.

7 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

8 A. I have a Bachelor of Science degree in Business Administration with a concentration
9 in Accounting from the University of Colorado in Boulder, Colorado. I am licensed
10 as a Certified Public Accountant in the States of Colorado and California.

11 **Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR PROFESSIONAL**
12 **EXPERIENCE**

13 A. After graduating from the University of Colorado, I worked for several years as an
14 accountant with Deloitte & Touche conducting financial audits. Thereafter, I worked
15 for two major corporations as a financial analyst. I joined AT&T Wireless Services
16 in 1995 as a financial analyst where I managed the preparation of annual revenue
17 forecasts for the company's cellular division. In 1996, I transferred to AT&T Corp.
18 where I became a financial manager and a subject matter expert on pricing and
19 costing issues involving local exchange and exchange access services. In 2000, I
20 joined QSI as a Senior Consultant. In 2007, I became QSI's Chief Financial Officer.

21 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS OR OTHER**
22 **PUBLIC UTILITY COMMISSIONS?**

A. While I have not testified before the Public Service Commission of South Carolina ("Commission"), I have testified at the FCC and before 18 other state commissions on rate of return issues as well as pro-competitive regulatory reform issues concerning universal service, inter-carrier compensation, and appropriate cost-based rates under the FCC's Total Element Long-Run Incremental Cost ("TELRIC") methodology. A more detailed description of the cases wherein I have provided testimony is included in my curriculum vitae as Exhibit WRF-1.

Q. ON WHOSE BEHALF ARE YOU FILING THIS TESTIMONY?

A. I am testifying on behalf of the Time Warner Cable Information Services (South Carolina) LLC ("TWCIS").

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to demonstrate that the availability of affordable basic local exchange rates in Home Telephone Company, Inc.'s ("Home") service area is not at risk and that Home is financially strong enough to withstand competition from TWCIS. While a local exchange carrier's ("LEC") financial health is not (and should not be) an explicit consideration in the Commission's evaluation of TWCIS's application under S.C. Code §58-9-280, I have nevertheless considered that issue in evaluating whether TWCIS' provision of service (1) will not adversely impact the availability of affordable local exchange service[1] and (2) provision of the

[1] See S.C. Code §58-9-280(B)(3).

service does not otherwise adversely impact the public interest.[2] The other factors stated in §58-9-280 that are relevant to the Commission's determination in this proceeding are addressed in detail by the testimonies of August Ankum, Ph.D. and Julie Laine.

My testimony will describe the restriction on Home's ability to raise basic local exchange rates under the terms of the alternative regulation requirements of §58-9-576 and demonstrate that Home is a financially strong company through analysis of its financial results over the period 2003 - 2007. Dr. Ankum discusses general economic policy issues associated with TWCIS' application as well as the numerous services offered by Home that will allow it to continue operating as a strong company after competitive entry by TWCIS into its market.

III. TWCIS' ENTRY WILL NOT ADVERSLEY AFFECT THE AVAILABILITY OF AFFORDABLE LOCAL EXCHANGE SERVICE

Q. WHAT IS YOUR UNDERSTANDING OF THE ALTERNATIVE REGULATION PROVISIONS OF SOUTH CAROLINA CODE §58-9-576 THAT IMPACT AN RLEC'S RATES?

A. A rural local exchange carrier ("RLEC") such as Home that elects to have the rates, terms, and conditions for its services determined pursuant to §58-9-576(B) is subject to the following terms and conditions on the rates it can charge for basic local exchange and all other services:

[2] See S.C. Code §58-9-280(B)(5).

1. Residential flat-rated local exchange service and single-line business local exchange service rates in effect on the date of the LEC's election to be subject to alternative regulation are the maximum rates it can charge for those services unless those rates are less than the statewide average local service rate, weighted by the number of access lines. For small LECs whose prices are less than the statewide average rate, the Commission may waive the cap on local service rates until the LEC's residential flat-rated local exchange service rate equals the statewide average local residential service rate, weighted by the number of access lines, and the single-line business flat-rated local exchange service rate equals two times the statewide average local residential service rate.[3]

2. LECs subject to the local exchange service rate cap may adjust rates for residential flat-rate local exchange service and single-line business flat-rate local exchange service annually pursuant to an inflation-based index.[4]

3. LECs have the flexibility to set rates for all other services at their discretion as long as rates do not discriminate unreasonably between similarly situated customers.[5]

Q. HAS HOME ELECTED ALTERNATIVE REGULATION FOR ITS SERVICES?

A. Yes. Home filed its Alternative Regulation Plan on March 8, 2006, and the Commission approved it on April 28, 2006.[6]

Q. WAS HOME SUBJECT TO THE TWO-YEAR CAP ON RAISING LOCAL SERVICE RATES BEYOND THE RATES IN EFFECT ON THE DATE OF ITS ELECTION?

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[3] See S.C. Code §58-9-576(B)(3).

[4] See S.C. Code §58-9-576(B)(4).

[5] See S.C. Code §58-9-576(B)(5).

[6] See Home's Alternative Regulation Plan filed in Docket No. 2006-76-C and attached as Exhibit WRF-2. Home's Alternative Regulation Plan was approved in Order No. 2006-271.

A. Yes. In its Alternative Regulation Plan filing, Home noted that its flat-rated local service rates for residential and single-line business customers were priced at the statewide average local service rates at the date of its election, March 8, 2006.[7]

Q. COULD HOME INCREASE ITS FLAT-RATED LOCAL SERVICE RATES FOR RESIDENTIAL AND SINGLE-LINE BUSINESS CUSTOMERS SINCE THE TWO-YEAR PERIOD HAS EXPIRED?

A. Yes. Since the two-year cap period expired March 7, 2008, Home could raise its rates if the inflation-based index has increased to permit a rate increase. However, Home will have to weigh the pros and cons of such an increase in light of the competitive alternatives offered by other carriers. Rather than risk losing current customers, the more rational response from a business perspective would be to reduce prices on its local exchange services or offer its customers attractive bundles of services to provide them an incentive to stay. Home already offers its residential customers packages of bundled services.[8] These can be expanded to meet competitive threats. Dr. Ankum discusses the various services offered by Home which include long distance, high speed Internet, wireless telephone, video, and home security services at a minimum. As Dr. Ankum's testimony explains in detail, bundled offers focus the customer's attention on the convenience and cost savings of receiving multiple services from a single provider and paying a single bill.

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[7] See Application in Exhibit WRF-2, page 2.

[8] See residential local service product packages at Home's website: http://www.hometelco.com/simpleConnectionsWhyBundle.php.

Q. DO SUBSEQUENT POTENTIAL RATE INCREASES BY HOME HAVE ANY RELEVANCE IN THIS CASE?

A. No. Home's local service rates are already at the statewide average rate which is presumed to be an affordable rate based on the South Carolina General Assembly's enactment of the statute defining the parameters of the statewide average rate calculation. Any decision by Home to increase its rates will be independent of TWCIS's entry into its market and will also be limited to the inflation-based index stipulated by S.C. Code §58-9-576(B)(4).

Q. BASED ON THE ALTERNATIVE REGULATION RULES DISCUSSED ABOVE, WILL TWCIS' APPLICATION IN THIS CASE ADVERSELY IMPACT THE AVAILABILITY OF AFFORDABLE LOCAL EXCHANGE SERVICE?

A. No. To the contrary, TWCIS' entry into Home's market will increase choices to customers and thus *promote* the availability of affordable local exchange service.

IV. HOME IS IN A STRONG AND HEALTHY FINANCIAL POSITION SUFFICIENT TO SUCCEED IN A COMPETITIVE MARKET

A. Home's 2007 Financial Results

Q. PLEASE DESCRIBE HOMES' CURRENT FINANCIAL POSITION.

A. My review of Home's 2007 Telecommunications Company Annual Report ("Annual Report") filed with the Office of Regulatory Staff and the Commission finds that Home is a profitable company with over *****BEGIN CONFIDENTIAL**

1 ***END CONFIDENTIAL*** in retained earnings along with a strong balance
2 sheet that reflects a ***BEGIN CONFIDENTIAL ___ END CONFIDENTIAL***
3 net working capital position and ***BEGIN CONFIDENTIAL ___ END
4 CONFIDENTIAL*** long-term debt.[9]

5 **Q. WHAT IS THE SIGNIFICANCE OF HOME'S RETAINED EARNINGS**
6 **BALANCE?**

7 A. Home's retained earnings balance reflects the accumulation of profits it has earned
8 over a number of years. Home has earned profits in excess of $5 million per year
9 over the last five years; in 2006, net income jumped to almost $10 million.[10]
10 Because of its consistent profitability, Home has paid average dividends of over
11 ***BEGIN CONFIDENTIAL ___ END CONFIDENTIAL*** annually for
12 the last five years.[11] The above discussion and analysis reveal that Home has enjoyed
13 great financial success in recent years.

14 **Q. WHAT IS WORKING CAPITAL AND HOW IS A COMPANY'S WORKING**
15 **CAPITAL POSITION EVALUATED?**

16 A. Working capital is simply the difference between a company's current assets and its
17 current liabilities. Current assets are those that could be converted to cash in less

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9 See 2007 Annual Report, Balance Sheet. Cited portions of 2007 Annual Report are attached as Exhibit WRF-3.

10 See 2003 - 2006 Annual Reports, Operating Revenue and Expenses, (Cited portions of 2003 Annual Report are attached as Exhibit WRF-4. Cited portions of 2004 Annual Report are attached as Exhibit WRF-5. Cited portions of 2005 Annual Report are attached as Exhibit WRF-6. Cited portions of 2006 Annual Report are attached as Exhibit WRF-7).

11 See 2003 - 2006 Annual Reports, Balance Sheet, (Cited portions of 2003 Annual Report are attached as Exhibit WRF-4. Cited portions of 2004 Annual Report are attached as Exhibit WRF-5. Cited portions of 2005 Annual Report are attached as Exhibit WRF-6. Cited portions of 2006 Annual Report are attached as Exhibit WRF-7).

than a year while current liabilities are obligations that must be repaid within one year. A company with a positive working capital position is one where current assets exceed current liabilities. The strength of a company's working capital position is typically measured as the ratio of current assets to current liabilities. A working capital ratio that is greater than 1.0 indicates that a company has sufficient resources to pay its short-term debts.

Q. WHAT WAS HOMES' WORKING CAPITAL POSITION AT THE END OF 2007?

A. Home's 2007 Annual Report shows that it had the following current assets and current liabilities resulting in a working capital ratio of ***BEGIN CONFIDENTIAL END CONFIDENTIAL***.[12]

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Home had ***BEGIN CONFIDENTIAL END CONFIDENTIAL*** resources to satisfy its short-term obligations at the end of 2007. Its working capital ratio demonstrates that Home has ***BEGIN

[12] See 2007 Annual Report, Balance Sheet, Exhibit WRF-3.

CONFIDENTIAL END CONFIDENTIAL* liquidity, further signifying its *****BEGIN CONFIDENTIAL END CONFIDENTIAL*** financial position.

Q. WHAT DOES THE DEBT-TO-EQUITY RATIO MEASURE?

A. It measures the relative proportion of debt and equity used to finance a company's assets. Home's 2007 Annual Report shows that it has ***** BEGIN CONFIDENTIAL CONFIDENTIAL*** long-term debt and is capitalized *****BEGIN CONFIDENTIAL END CONFIDENTIAL*** by stockholder's equity.[13] Therefore, it has *****BEGIN CONFIDENTIAL END CONFIDENTIAL** Debt / Equity ratio at this time.

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Since Home does not have to commit *****BEGIN CONFIDENTIAL END CONFIDENTIAL*** of its cash flow to service debt, it can use its cash to invest in network infrastructure, product development, and other undertakings that will improve its service offerings and overall quality of service, making it a capable player as competition develops in the market.

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[13] See 2007 Annual Report, Balance Sheet, Exhibit WRF-3.

1 **B. Home's Financial Performance (2003 – 2007)**

2 **Q. HOW WOULD YOU DESCRIBE HOMES' FINANCIAL PERFORMANCE**
3 **OVER THE LAST FIVE YEARS?**

4 A. Based upon my review of Home's Annual Reports for the period 2003 – 2007, Home
5 has been able to mitigate a slight decline in residential access lines with increases in
6 business access lines resulting in virtually static total access lines over the five-year
7 period. As noted previously, Home also generated significant Net Margins with
8 profits exceeding 20% of revenue each year. The following table illustrates the
9 strong performance exhibited by Home over the last five years.[14]

10 *****BEGIN CONFIDENTIAL**
11
12
13 **END CONFIDENTIAL*****

[14] See 2003 Annual Report, Operating Revenue & Expenses, Balance Sheet, Retained Earnings, and Access Lines in Exhibit WRF-4. See 2004 Annual Report, Operating Revenue & Expenses, Balance Sheet, Retained Earnings, and Access Lines in Exhibit WRF-5. See 2005 Annual Report, Operating Revenue & Expenses, Balance Sheet, Retained Earnings, and Access Lines in Exhibit WRF-6. See 2006 Annual Report, Operating Revenue & Expenses, Balance Sheet, Retained Earnings, and Access Lines in Exhibit WRF-7. See 2007 Annual Report, Operating Revenue & Expenses, Balance Sheet, Retained Earnings, and Access Lines in Exhibit WRF-3.

In 2003, its total revenue was $22.1 million and it had 22,937 total access lines. In 2007, Home had $24.0 million in revenue and 22,629 total access lines. Revenue increased by 9% despite total access lines declining by 1%. Home earned $7.1 million in net income in 2003 and $5.5 million in 2007 resulting in a decline of 22% between the two time periods. However, Home earned $9.9 million in 2006 or over 1.5 times its average net income over the other four years. Consequently, retained earnings increased by *****BEGIN CONFIDENTIAL** ____ **END CONFIDENTIAL***** from 2003 to 2007, from *****BEGIN CONFIDENTIAL** ____ **END CONFIDENTIAL*****.

Q. WHAT IS NET MARGIN AND WHAT IS ITS SIGNIFICANCE?

A. Net Margin is a measure of profitability used by investors and financial analysts. Net Margin is calculated by dividing a firm's net profit by net sales. This ratio is used to measure a firm's performance over time. It can also be used to compare the firm's performance with other companies in the same industry.

Q. WHAT WAS HOME'S NET MARGIN OVER THE PERIOD 2003 – 2007?

A. As noted in the table above, Home's Net Margin ranged from a low of 22.9% in 2007 to a high of 42.2% in 2006. In comparison AT&T South Carolina's 2007 Net Margin was only 8.7%.[15] Compared to the largest telecommunications carrier in South Carolina, Home is an extremely profitable company.

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[15] See 2007 Telecommunications Company Annual Report of BellSouth Telecommunications, Inc. DBA: AT&T South Carolina, Operating Revenue & Expenses. Net Income of $89,258,446 divided by Total Operating Revenue of $1,030,269,190 results in an 8.7% Net Margin. Cited portions of 2007 Annual Report are attached as Exhibit WRF-8.

Q. HOW HAS HOME BENEFITED FROM UNIVERSAL SERVICE FUND SUPPORT?

A. Home receives both state and federal universal service fund ("USF") support. The trend by year is reflected in the table below:[16]

		FEDERAL USF						
	STATE USF	HCL	ICLS	LSS	LTS	SNA	TOTAL FEDERAL USF	TOTAL STATE AND FEDERAL USF
Home Telephone								
2003	$1,059,778	$1,882,784	$ 525,989	$ 535,794	$ 806,424	$ -	$ 3,750,991	$ 4,810,769
2004	$1,558,712	$1,611,291	$1,231,872	$ 604,151	$ 407,784	$ -	$ 3,855,098	$ 5,413,810
2005	$2,437,577	$1,568,433	$1,917,053	$ 516,804	$ -	$ -	$ 4,002,290	$ 6,439,867
2006	$2,522,680	$1,478,538	$2,152,572	$ 506,724	$ -	$ -	$ 4,137,834	$ 6,660,514
2007	$2,397,049	$1,151,472	$2,395,872	$ 661,176	$ -	$ -	$ 4,208,520	$ 6,605,569
Ratio 2007 to 2003	*126%*	*-39%*	*355%*	*23%*	*-100%*		*12%*	*37%*

In 2003, it received $1.1 million in state USF support and $3.7 million in federal USF support for a total of $4.8 million. State USF support has been increasing each year to $2.4 million in 2007 resulting in a 126% increase in 2007 state USF receipts over 2003. Federal USF receipts have increased by 12% since 2003 to $4.2 million. Home's increasing USF support as a percentage of total revenue over the five-year period is shown in the table below which is a synthesis of the two previous tables:

[16] South Carolina USF disbursements are from Home's Response to TWCIS 1st Set of Interrogatories, No. 1-11. Federal USF disbursements are from Universal Service Administration Company data available at http://www.usac.org/hc/tools/disbursements/.

	OPERATING REVENUE (COMBINED)		
	TOTAL	TOTAL STATE AND FEDERAL USF	% REVENUE FROM USF
Home Telephone			
2003	$ 22,080,580	$ 4,810,769	22%
2004	$ 21,792,892	$ 5,413,810	25%
2005	$ 22,725,763	$ 6,439,867	28%
2006	$ 23,516,422	$ 6,660,514	28%
2007	$ 23,960,367	$ 6,605,569	28%
Ratio 2007 to 2003	9%	37%	

In short, USF support is a significant and growing portion of Home's revenue stream, and it will continue to provide a safety net to Home in the face of competition.

Q. IF HOME LOSES ADDITIONAL LINES AND REVENUE DUE TO MARKET SHARE LOSS TO TWCIS, WILL IT RECEIVE EVEN MORE USF SUPPORT THAN IT DOES TODAY?

A. Yes. When an RLEC such as Home loses access lines, its cost per loop increases since its relatively static network costs are divided over fewer lines. As an RLEC's cost per loop increases over the national average cost per line, it will receive additional federal USF support. Regarding the state USF, LECs can receive additional support in two different ways. First, it can file for rate reductions to services priced above cost and recover projected lost revenue from the state USF. This allows an RLEC to adjust its prices to meet or beat the competition.[17] Second,

[17] See Docket No. 97-239-C, Order No. 2001-996, Exhibit A – Guidelines for South Carolina Universal Service Fund, § 9, page 7.

if an RLEC loses its lower cost customers to competition, it can petition the Commission to approve a new cost study reflecting its change in cost per line.[18]

Q. GIVEN THE FINANCIAL STRENGTH OF HOME, WILL TWCIS' ENTRY INTO HOME'S MARKET ADVERSLEY IMPACT THE AFFORDABILITY OF LOCAL EXCHANGE SERVICE?

A. No. To the contrary, TWCIS' entry in Home's market will increase customer choice and potentially lead to lower prices.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

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[18] See S.C. Code § 58-9-280(E).

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2008-327-C

In Re: Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Home Telephone Company, Inc. and for Alternative Regulation	)

DIRECT TESTIMONY OF

WARREN R. FISCHER, C.P.A.

ON BEHALF OF

TIME WARNER CABLE INFORMATION SERVICES (SOUTH CAROLINA) LLC

EXHIBIT WRF-1

Curriculum Vitae

Warren R. Fischer, C.P.A.

Chief Financial Officer
QSI Consulting, Inc.

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Denver, Colorado, 80209-3279
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Biography

Mr. Fischer is a QSI partner and currently serves as Chief Financial Officer in QSI's Telecommunications Division. Mr. Fischer has over 13 years of experience in the telecommunications industry and joined QSI after five years of service within AT&T's Local Service & Access Management and Wireless Services divisions. During his telecommunications career, Mr. Fischer has focused his attention largely on TELRIC pricing, local market entry, Section 271 compliance, access and universal service reform issues, billing disputes, and damages assessment.

Mr. Fischer is an experienced and effective expert witness who has provided expert testimony in over 30 proceedings before 18 state utility commissions and other administrative agencies. Mr. Fischer is an active Certified Public Accountant who is licensed in the States of Colorado and California. Mr. Fischer's professional experience as a C.P.A. includes two years in public practice with Deloitte and Touche LLP and over 20 years of managing financial analysis, reporting and forecasting processes for various multi-national corporations.

Educational Background

Bachelor of Science, Business Administration (emphasis in Accounting)
University of Colorado at Boulder, Boulder, Colorado 1984

QSI consulting, inc.

Professional Experience

QSI Consulting, Inc.
2000 - Current
Chief Financial Officer

AT&T Corp.
1997 - 2000
Financial Manager
1996 - 1997
Supervisor
Network Services Division

AT&T Wireless Services
1995 - 1996
Marketing Analyst / Planner
Cellular Division

E. & J. Gallo Winery
1994 - 1995
Senior Financial Analyst
1991 - 1994
Operations Accountant

Century 21 Real Estate Corporation
1987 - 1991
Financial Analyst

Deloitte & Touche LLP
1985 - 1987
Audit-in-Charge

Expert Testimony – Profile

The information below is Mr. Fischer's best effort to identify all proceedings wherein he has either provided pre-filed written testimony, an expert report or provided live testimony.

Before the Federal Communications Commission
File Nos. EB-01-MD-001 and EB-01-MD-002
In the matter of the formal complaints of AT&T corp. and Sprint Communications Company L.P., vs. Business Telecom, Inc.
On behalf of Business Telecom, Inc.
Affidavit — February 23, 2001

Before the Public Utilities Commission of the State of Colorado
Docket No. 99A-161T
In the matter of the application of U S WEST Communications, Inc., to reduce business basic exchange and long-distance revenues upon receipt of the Colorado high-cost support mechanism in accordance with Decision No. C 99-222
On behalf of AT&T Communications of the Mountain States, Inc.
Direct — August 6, 1999

Before the Public Utilities Commission of the State of Colorado
Docket No. 98A-068T
In the matter of the application of U S WEST Communications, Inc., to restructure and reduce switched access rates pursuant to the stipulation in Docket No. 97A-540T
On behalf of AT&T Communications of the Mountain States, Inc.
Amended Direct — May 17, 1999
Supplemental — June 9, 1999

In The United States District Court for The Middle District Of Florida, Jacksonville Division
Civil Action No. 3:07-CV-598-J-32MCR
James D. Hinson Electrical Contracting Co., Inc., Individually and On Behalf Of All Others Similarly Situated, Plaintiff, v. BellSouth Telecommunications, Inc., Defendant
On behalf of Plaintiff
Declaration — September 18, 2007
Expert Report — August 1, 2008

Before the Public Service Commission of Florida
Docket No. 041464-TP
Petition of Sprint–Florida, Inc. for Arbitration of an Interconnection Agreement with Florida Digital Network, Inc. Pursuant to Section 252 of the Telecommunications Act of 1996
On Behalf of Florida Digital Network, Inc. D/B/A FDN Communications
Direct — May 27, 2005

Before the Public Service Commission of Florida
Docket No. 990649B-TP
In re: investigation into pricing of unbundled network elements
On Behalf of AT&T Communications of the Southern States, Inc., MCImetro Access Transmission Services, LLC & MCI WorldCom Communications, Inc., and Florida Digital Network, Inc. (collectively called the "ALEC Coalition")
Rebuttal — January 30, 2002

Before the Illinois Commerce Commission
Docket No. 02-0864
Illinois Bell Telephone Company: Filing to increase unbundled loop and nonrecurring rates (tariffs filed December 24, 2002)
On Behalf of AT&T Communications of Illinois, Inc., WorldCom, Inc. ("MCI"), McLeodUSA Telecommunications Services, Inc., Covad Communications Company, TDS Metrocom, LLC, Allegiance Telecom of Illinois, Inc., RCN Telecom Services of Illinois, LLC, Globalcom, Inc., Z-Tel Communications, Inc., XO Illinois, Inc., Forte Communications, Inc., and CIMCO Communications, Inc.
Direct — May 6, 2003
Rebuttal — January 20, 2004
Surrebuttal — February 20, 2004
Supplemental Surrebuttal — May 5, 2004

Before the Indiana Utility Regulatory Commission
Cause No. 42393
In the matter of the commission investigation and generic proceeding of rates and unbundled network elements and collocation for Indiana Bell Telephone Company, Incorporated d/b/a SBC Indiana pursuant to the Telecommunications Act of 1996 and related Indiana statutes
On behalf of AT&T Communications of Indiana, G.P. and TCG Indianapolis ("AT&T), WorldCom, Inc. ("MCI"), McLeodUSA Telecommunications Services, Inc., Covad Communications Company, and Z-Tel Communications, Inc.
Response — August 15, 2003

Before the Public Service Commission of Maryland
Case No. 8879
In the matter of the investigation into rates for unbundled network elements pursuant to the Telecommunications Act of 1996
On Behalf of the Staff of the Public Service Commission of Maryland
Rebuttal — September 5, 2001
Supplemental Rebuttal — October 4, 2001
Surrebuttal — October 15, 2001

Before the Massachusetts Department of Telecommunications and Energy
Docket DTE 06-61 Investigation by the Department on its own motion as to the propriety of the rates and charges set forth in the following tariff: M.D.T.E. No. 14, filed with the Department on June 16, 2006, to become effective July 16, 2006, by Verizon New England, Inc. d/b/a Verizon Massachusetts
On Behalf of Broadview Networks, Inc.; DSCI Corporation; Eureka Telecom, Inc. d/b/a InfoHighway Communications; Metropolitan Telecommunications of Massachusetts, Inc., a/k/a MetTel; New Horizon Communications; and One Communications (collectively "CLEC Coalition")
Rebuttal Panel Testimony — September 12, 2006

Before the Massachusetts Department of Telecommunications and Energy
Docket DTE 01-20
Investigation by the department on its own motion into the appropriate pricing, based upon total element long-run incremental costs, for unbundled network elements and combinations of unbundled network elements, and the appropriate avoided cost discount for Verizon New England Inc., d/b/a Verizon Massachusetts' resale services
On Behalf of the CLEC Coalition
Rebuttal — July 17, 2001

Before the Michigan Public Service Commission
Case No. U-13531
In the matter, on the commission's own motion, to review the costs of telecommunications services provided by SBC Michigan
On behalf of AT&T Communications of Michigan, Inc., and TCG Detroit ("AT&T")
Initial — January 20, 2004
Final Reply — May 10, 2004

Before the Michigan Public Service Commission
Case No. U-11756
In the matter of the complaint of Michigan Pay Telephone Association et al. Against Ameritech Michigan and Verizon North Inc., f/k/a GTE North Incorporated
On behalf of Michigan Pay Telephone Association and the other payphone service provider Complainants
Direct — February 10, 2003

Before The Office Of Administrative Hearings For The Minnesota Public Utilities Commission
MPUC Docket No. P-421/AM-06-713, OAH Docket No. 3-2500-17511-2
In the matter of Qwest Corporation's Application for Commission Review of TELRIC Rates Pursuant to 47 U.S.C. § 251
On behalf of Integra Telecom of Minnesota, Inc.; McLeodUSA Telecommunications Services, Inc.; POPP.com, Inc.; DIECA Communications, Inc., d/b/a Covad Communications Company; TDS Metrocom; and XO Communications of Minnesota, Inc., ("The CLEC Coalition")
Direct — August 24, 2007

Before the Public Service Commission of the State of Montana
Docket No. D97.5.87
IN THE MATTER OF the Investigation into U S WEST Communications, Inc.'s Compliance with Section 271(c) of the Telecommunications Act of 1996
On behalf of AT&T Communications of the Mountain States
Direct — June 1998
Rebuttal — June 1998
Supplemental Rebuttal — November 1998

Before the Public Service Commission of the State of Montana
Docket No. D96.12.220
IN THE MATTER of the Application of U S WEST Communications, Inc. to Restructure its Prices for Regulated Telecommunications Service.
On behalf of AT&T Communications of the Mountain States, Inc.
Direct — October 1997

Before the Nebraska Public Service Commission
Application No. C-1628
In the matter of the Nebraska Public Service Commission, on its own motion, seeking to conduct an investigation into intrastate access charge reform and intrastate universal service fund
On behalf of AT&T Communications of the Midwest, Inc.
Direct — October 20, 1998

Before the Nebraska Public Service Commission
Application No. C-1830
In the Matter of US West Communications, Inc., filing its notice of intention to file Section 271(c) application with the FCC and request for Commission to verify US West compliance with Section 271(c)
On behalf of AT&T Communications of the Midwest, Inc.
Direct and rebuttal — August 1998

Before the Nebraska Public Service Commission
Docket No. C-1519
In the matter of the emergency petition of MCI Telecommunications Corporation and AT&T Communications of the Midwest, Inc. to investigate compliance of Nebraska LECs with FCC payphone orders
On behalf of AT&T Communications of the Midwest, Inc.
Direct — January 20, 1998

Before the New Mexico State Corporation Commission
Docket No. 96-310-TC and Docket No. 97-334-TC
In the matter of the consideration of the adoption of a rule concerning costing methodologies and In the matter of the implementation of new rules related to the rural, high-cost, and low-income components of the New Mexico universal service fund
On behalf of AT&T Communications of the Mountain States, Inc.
Direct — July 8, 1998
Rebuttal — August 5, 1998

Before the New Mexico State Corporation Commission
Docket No. 97-106-TC
In The Matter Of Qwest Corporation's Section 271 Application And Motion For Alternative Procedure To Manage The Section 271 Process
On behalf of AT&T Communications of the Mountain States, Inc.
Direct — July 1998
Rebuttal — July 1998
Reply — September 1998

Before the New Mexico State Corporation Commission
Docket No. 97-69-TC
On behalf of AT&T Communications of the Mountain States, Inc.
Direct — March 20, 1997

Before the North Carolina Utilities Commission
Docket No. P-100, Sub 133d, Phase I
In the matter of general proceeding to determine permanent pricing for unbundled network elements
On Behalf of New Entrants
Direct — August 11, 2000

Before the Public Service Commission of the State of North Dakota
Case No. PU-05-451
Midcontinent Communications, a South Dakota Partnership, Complainant vs. North Dakota Telephone Company, Respondent
On behalf of Midcontinent Communications
Direct — December 21, 2005
Rebuttal — January 16, 2006

Before the Public Service Commission of the State of North Dakota
Docket No. PU-314-97-465
In the matter of U S WEST Communications, Inc., universal service costs investigation
On behalf of AT&T Communications of the Midwest, Inc.
Rebuttal — February 27, 1998

Before the Public Utilities Commission of Ohio
Case No. 02-1280-TP-UNC, Phase II
In the matter of the Review of SBC Ohio's TELRIC Costs for Unbundled Network Elements
On behalf of MCIMetro Access Transmission Services, LLC, McLeodUSA Telecommunications Services, Inc., Covad Communications Company, NuVox Communications of Ohio, Inc., and XO Ohio, Inc.
Direct — August 8, 2005

Before the State of South Dakota Public Utilities Commission
Docket No. TC07-117
In The Matter of the Petition Of Midcontinent Communications For Approval Of Its Intrastate Switched Access Tariff And For An Exemption From Developing Company-Specific Cost-Based Switched Access Rates
On behalf of Midcontinent Communications
Direct — July 15, 2008

Before the State Office of Administrative Hearings (Texas)
SOAH Docket No. 473-07-1365, PUC Docket No. 33545
Application of McLeodUSA Telecommunications Services, Inc. For Approval of Intrastate Switched Access Rates Pursuant To PURA Section 52.155 And PUC Subst. R. 26.223
On behalf of McLeodUSA Telecommunications Services, Inc.
Rebuttal — May 24, 2007

Before the Public Service Commission of Wisconsin
Docket No. 6720-TI-187
Petition of SBC Wisconsin to determine rates and costs for unbundled network elements
On behalf of AT&T Communications of Wisconsin, L.P. and TCG Milwaukee ("AT&T"), and MCI, Inc.
Rebuttal — June 15, 2004

Before the Wyoming Public Service Commission
Docket No. 70000-TA-98-442
In the matter of the second application of U S WEST Communications, Inc., for a finding that its interexchange telecommunications services are subject to competition
On behalf of AT&T Communications of the Mountain States, Inc.
Direct — January 6, 1999

Before the Wyoming Public Service Commission
Docket No. 70000-TR-98-420
In the matter of the application of U S WEST Communications, Inc., for authority to implement price ceiling in conjunction with its proposed Wyoming price regulation plan for essential and noncompetitive telecommunication services
On behalf of AT&T Communications of the Mountain States, Inc.
Direct September 9, 1998

Before the Wyoming Public Service Commission
General Order No. 81
In the matter of the investigation by the Commission of the feasibility of developing its own costing model for use in determining federal universal service fund support obligations in Wyoming
On behalf of AT&T Communications of the Mountain States, Inc.
Direct November 1997
Amended Direct January 23, 1998
Rebuttal February 6, 1998

Before the Wyoming Public Service Commission
Docket No. 72000-TI-97-107 and Docket No. 70000 TI-97-352
In the matter of the petition of AT&T for the Commission to initiate investigation of U S WEST Communications, Inc.'s compliance with Section 271 of the Telecommunications Act of 1996
On behalf of AT&T Communications of the Mountain States, Inc.
Direct 1998

Before the Wyoming Public Service Commission
Docket No. 72000-TC-97-99
On behalf of AT&T Communications of the Mountain States, Inc.
Direct May 15, 1997

Before the Wyoming Public Service Commission
Docket No. 70007-TR-95-15
On behalf of AT&T Communications of the Mountain States, Inc.
Adopted Pre-filed Direct October 1996

Selected Reports, Presentations and Publications

QSI Final Report to the Hawaii Public Utilities Commission "Analysis and Recommendations Related to Docket No. 04-0140 *Merger Application Of Paradise Mergersub, Inc. (n/k/a Hawaiian telecom Mergersub, Inc.), Verizon Hawaii, Inc. and Related Companies*" February 7, 2005

QSI Technical Report No. 012605A "IP-Enabled Voice Services: Impact of Applying Switched Access Charges to IP-PSTN Voice Services"
Ex Parte filing in FCC dockets WC Dockets No. 04-36 (In the Matter of IP-Enabled Services), 03-266 (In the Matter of Level 3 Communications LLC Petition for Forbearance Under 47 U.S.C. § 160(c) from Enforcement of 47 U.S.C. § 251(g), Rule 51.701(b)(1), and Rule 69.5(b); IP Enabled Services)
Washington DC, January 27, 2005

QSI Report to the Wyoming Legislature "The Wyoming Universal Service Fund. *An Evaluation of the Basis and Qualifications for Funding*" December 3, 2004

QSI Management Audit Reports to the Wyoming Public Service Commission on the Wyoming Universal Service Fund:

1. For the period October 28, 1999 through December 31, 2001 (issued May 15, 2002)
2. For the period January 1, 2002 through December 31, 2004 (issued January 31, 2006)

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2008-327-C

In Re: Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Home Telephone Company, Inc. and for Alternative Regulation	)

DIRECT TESTIMONY OF

WARREN R. FISCHER, C.P.A.

ON BEHALF OF

TIME WARNER CABLE INFORMATION SERVICES (SOUTH CAROLINA) LLC

EXHIBIT WRF-2

Home Telephone Company, Inc. Alternative Regulation Plan

178373

MCNAIR LAW FIRM, P.A.

ATTORNEYS AND COUNSELORS AT LAW

www.mcnair.net

BANK OF AMERICA TOWER
1301 GERVAIS STREET, 17th FLOOR
COLUMBIA, SOUTH CAROLINA 29201

POST OFFICE BOX 11390
COLUMBIA, SOUTH CAROLINA 29211
TELEPHONE (803)799-9800
FACSIMILE (803)376-2277

2006-76-C

March 8, 2006

Mr. Charles L. A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
Synergy Business Park, The Saluda Building
101 Executive Center Drive
Columbia, South Carolina 29210

Re: Home Telephone Company, Inc.
Alternative Regulation Plan Pursuant to S.C. Code Ann. § 58-9-576

Dear Mr. Terreni:

Enclosed for filing on behalf of Home Telephone Company, Inc. ("Home"), please find an original and ten (10) copies of an Alternative Regulation Plan.

On January 18, 2006, the Commission approved a local interconnection agreement between Home and MCImetro Access Transmission Services, LLC ("MCI"). Pursuant to S.C. Code Ann. § 58-9-576(A), any LEC may elect the alternative regulation plan described in S.C. Code Ann. § 58-9-576(B) if the Commission has approved a local interconnection agreement in which the LEC is a participant with an entity determined by the Commission not to be affiliated with the LEC. An Affidavit of William S. Helmly is being filed with this Plan to certify that Home is not affiliated with MCI.

Therefore, having met the statutory requirement for election of alternative regulation, Home hereby elects to have its rates, terms and conditions determined pursuant to the plan described in S. C. Code Ann. § 58-9-576(B), as set forth in the attached Alternative Regulation Plan, effective April 7, 2006.

In addition to the Alternative Regulation Plan and Affidavit of William S. Helmly, we are also enclosing a proposed Notice of Filing for the Commission's convenience.

Please clock in a copy of this filing and return it with our courier.

Thank you for your assistance.

Very truly yours,

Margaret M. Fox

Margaret M. Fox

Enclosures

cc: C. Dukes Scott, Esquire
H. Keith Oliver

HOME TELEPHONE COMPANY, INC.
ALTERNATIVE REGULATION PLAN
PURSUANT TO S.C. CODE ANN. § 58-9-576

Filed March 8, 2006
Effective April 7, 2006

1. Introduction

Pursuant to S.C. Code Ann. § 58-9-576(A), any local exchange carrier ("LEC") may elect to have the rates, terms, and conditions of its services determined pursuant to the alternative regulation plan described in S.C. Code Ann. § 58-9-576(B), provided the Public Service Commission of South Carolina ("Commission") has approved a local interconnection agreement in which the LEC is a participant with an entity determined by the Commission not to be affiliated with the LEC. The Commission has approved such an agreement for Home Telephone Company, Inc. ("Home"), and Home hereby elects to have the rates, terms, and conditions of its services determined pursuant to the alternative regulation plan described herein (the "Plan"), which conforms with the plan described in S.C. Code Ann. § 58-9-576(B).

In its regular agenda session on January 18, 2006, the Commission approved an interconnection agreement between Home and MCImetro Access Transmission Services, LLC ("MCI"). An Affidavit of William S. Helmly is being filed with this Plan to certify that Home is not affiliated with MCI.

The Plan described herein is in lieu of other forms of regulation including, but not limited to, rate of return or rate base monitoring or regulation.

2. Effective Date

The effective date of the Plan is April 7, 2006, which is not sooner than thirty days after filing with the Commission notice of election of the Plan. The Plan will apply to all local services offered by Home that are regulated by the Commission.

3. The Plan

a. As of March 8, 2006, the date of notice of election of the Plan, existing rates, terms, and conditions for the services provided by Home contained in Home's then-existing tariffs and contracts are considered just and reasonable.

b. Home is a "small LEC" for purposes of S.C. Code Ann. § 58-9-576(B)(3). S.C. Code Ann. § 58-9-10(14) defines "small LEC" to mean a "rural telephone company" as defined in the federal Telecommunications Act of 1996.

c. Although Home is a "small LEC" for purposes of S.C. Code Ann. § 58-9-576(B)(3), Home's flat-rated local exchange services for residential and single-line business customers are currently priced at the statewide average local service rates for those services, weighted by number of access lines, as shown in Home's local service tariff on file with the Commission. Therefore, the requirements of S.C. Code Ann. § 58-9-576(B)(3) and (4) are not waived for Home, and Home's residential and single-line business rates shall be frozen for a period of two years from the date of election of this Alternative Regulation Plan and, after the expiration of the two-year period, may be adjusted on an annual basis pursuant to an inflation-based index.

d. Home will set rates for all other services on a basis that does not unreasonably discriminate between similarly situated customers. All such rates are subject to a complaint process for abuse of market position in accordance with Commission rules and procedures.

e. Except when exempted by law, Home will file tariffs for price changes or new services with respect to its local exchange services (including residential and single-line business services) that set out the terms and conditions of the services and the rates for such services. Tariffs will be presumed valid and become effective seven days after filing for price decreases and fourteen days after filing for price increases and new services.

f. As provided for in S.C. Code Ann. § 58-9-576(B), the Plan applies in lieu of rate of return or rate base regulation. Thus, the procedures set forth above for changes in rates are to be used in lieu of traditional rate-of-return procedures for determining rates, terms, and conditions for service, as found in S.C. Code Ann. §§ 58-9-510 through –570 and in 26 Code Ann. Regs. 103-834(A)(3).

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA

Docket No. 2006-_____-C

IN RE: Home Telephone Company, Inc. Alternative Regulation Plan Filed Pursuant to S.C. Code Ann. § 58-9-576	))))	**AFFIDAVIT OF WILLIAM S. HELMLY**

STATE OF SOUTH CAROLINA

COUNTY OF BERKELEY

PERSONALLY APPEARED BEFORE ME the undersigned WHO, BEING DULY SWORN, deposed and said:

1. My name is William S. Helmly. I am employed by Home Telephone Company, Inc. (the "Company") as its President and Chief Operating Officer. I am an officer of the Company and am authorized to give this affidavit on behalf of the Company.

2. Home Telephone Company, Inc., hereby certifies that it is not affiliated with MCImetro Access Transmission Services, LLC.

FURTHER AFFIANT SAYETH NOT.

William S. Helmly
President and Chief Operating Officer

Subscribed to and sworn before me this 7th day of March, 2006.

Debra D. McGriff
NOTARY PUBLIC FOR SOUTH CAROLINA

Debra D. McGriff
(Print Name of Notary)
My Commission Expires: September 28, 2009

COLUMBIA 850974v1

[HOME TELEPHONE COMPANY PROPOSED NOTICE OF FILING]

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING

DOCKET NO. 2006-___-C

Home Telephone Company, Inc. ("Home Telephone") has filed with the Public Service Commission of South Carolina ("Commission") a request to have its rates, terms and conditions determined pursuant to the plan described in S.C. Code Ann. § 58-9-576(B). Pursuant to S.C. Code Ann. § 58-9-576(A), any local exchange carrier ("LEC") may elect to have the rates, terms and conditions of its services determined pursuant to the alternative regulation plan described in S.C. Code Ann. § 58-9-576(B), provided the Commission has approved a local interconnection agreement in which the LEC is a participant with an entity determined by the Commission not to be affiliated with the LEC. The Commission has approved such an agreement on January 18, 2006 between Home Telephone and MCImetro Access Transmission Services, LLC ("MCI"). Home Telephone elects to have its rates, terms, and conditions determined pursuant to the Plan described in S.C. Code Ann. § 58-9-576(B) as set forth in its Alternative Regulation Plan, effective date April 7, 2006.

A copy of the Application is on file in the offices of the Commission, 101 Executive Center Drive, Columbia, South Carolina 29210, the Commission's web site at www.psc.sc.gov, and is available from Margaret M. Fox, Esquire, Post Office Box 11390, Columbia, South Carolina 29211. Interested persons may contact the Commission or counsel for PBT for additional information concerning the Plan. ***Please refer to Docket No.* 2006-___-C.**

Persons seeking information about the Commission's Procedures should contact the Commission at (803) 896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, South Carolina 29211

MAR-__-06

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2008-327-C

In Re: Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Home Telephone Company, Inc. and for Alternative Regulation	)

Fischer Testimony Exhibit WRF-3

HOME TELEPHONE CO.'S

2007 TELECOMMUNICATIONS COMPANY ANNUAL REPORT

INCLUDING CONFIDENTIAL SCHEDULES

CONFIDENTIAL AND PROPRIETARY

FILED UNDER SEAL

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2008-327-C

In Re: Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Home Telephone Company, Inc. and for Alternative Regulation	)

DIRECT TESTIMONY OF

WARREN R. FISCHER, C.P.A.

ON BEHALF OF

TIME WARNER CABLE INFORMATION SERVICES (SOUTH CAROLINA) LLC

EXHIBIT WRF-4

Cited Portions of Home's 2003 Telecommunications Company Annual Report

pscsc 2/2001

ANNUAL REPORT

Name *Home Telephone Company, Inc.*

Address *P.O. Box 1194, Moncks Corner, SC 29461*

Telephone Number *(843) 761-9101*

TELEPHONE UTILITY

TO

PUBLIC SERVICE COMMISSION OF SC

FOR THE CALENDAR YEAR ENDING DECEMBER 31, 2003

or Fiscal Year Ending _____

Due on April 1st

For Fiscal Year Ending other than December 31, Report is due within 3 months after Fiscal Year Ending.

May use additional blank pages if needed

All entries should be in ink or typewriter

Schedule #2-Operating Revenue & Expenses

Year Ending December 31, 2003 or Fiscal Year Ending

Operating Revenues:		Combined	Intrastate Gross Receipts
Local Network Services Revenue	5001-5069	8,517,506	
Network Access Service Revenues	5080	10,445,528	
Long Distance Revenues	5100-5169	457,471	
Miscellaneous Revenues	5230-5270	2,817,197	
Uncollectible Revenues	5301-5302	(157,122)	
Total Revenues		22,080,580	
Operating Expenses:			
Plant Specific Expenses	6112-6410	4,586,842	
Plant Nonspecific Expenses	6560	6,713,158	
Customer Operations Expenses	6620	2,402,692	
Corporate Operations Expenses	6711-6790	2,828,063	
Operating Taxes other than Income	7240	656,637	
Operating Investment Tax Credits-Net	7210	-	
Operating Taxes-Income-Current-Federal	7220	1,755,000	
Operating Taxes-Income-Current-State	7230	180,000	
Operating Taxes-Deferred Income-Net	7250	(32,000)	
Total Operations Expenses		19,090,392	
Net Income from Operations		2,990,188	
Interest Income	7320	375,475	
Nonoperating Income and Expenses	7310-7450	2,726,580	
Fixed Charges-(Other Than Interest on Debt)		28,955	
Interest Expense on Funded Debt	7510	-	
Non-regulated Net Income	7610-7991	987,775	
Net Income		7,051,063	

Schedule #3-Balance Sheet
Company: Home Telephone Company, Inc.
Date of Balance Sheet: December 31, 2003
Assets:

Balance at Beginning of Year	Description	Balance at Close of Year
	Telecommunications Plant	
69,823,083	Telephone Plant in Service	71,959,742
-	Property Held for Future Use	-
1,202,441	Telecommunications Plant under Construction	2,659,976
-	Telecommunicatons Plant Adjustment	-
-	Non-Operating Plant	-
-	Goodwill	-
71,025,524	Total Plant	74,619,718
45,128,603	Depreciation Reserve-Plant	49,268,722
-	Depreciation Reserve-Other	-
45,128,603	Total Depreciation Reserve	49,268,722
25,896,921	Net Telecommunications Plant	25,350,996
	Non-Current Assets	
110,000	Investments in Affiliated Companies	110,000
2,817,503	Investment in Non-Affiliated Companies	3,045,367
6,527,145	Non-Regulated Investments	7,364,985
-	Other Non-Current Assets	-
9,454,648	Total Non-Current Assets	10,520,352
	Current Assets	
627,040	Cash	474,702
13,379,598	Temporary Investments	18,117,821
1,028,092	Telecommunications Accounts Receivables	1,336,393
(59,907)	Allowance for Bad Debts	(59,907)

Schedule #3-Balance Sheet-Continued

Assets-Continued:

Balance at Beginning of Year	Description	Balance at Close of Year
	Current Assets-Continued	
764,397	Interest, Dividends & Other Accounts Receivable	793,246
-	Notes Receivable-Net	-
564,881	Materials & Supplies Inventory	323,335
16,304,101	Total Current Assets	20,985,590
	Prepaid Accounts & Deferred Charges	
431,051	Prepaids	-
213,500	Deferred Charges	230,500
644,551	Total Prepaid Accounts & Deferred Charges	230,500
52,300,221	Total Assets	57,087,438
	Stockholders Equity	
811,200	Capital Stock	811,200
-	Additional Paid in Capital	-
-	Treasury Stock	-
-	Other Capital	-
43,175,611	Retained Earnings	47,387,474
43,986,811	Total Stockholders Equity	48,198,674
	Long Term Debt	
-	Funded Debt	-
-	Reacquired Debt	-
-	Obligations Under Capital Leases	-
-	Advances from Affiliated Companies	-
-	Other Long Term Debt	-

Schedule #3-Balance Sheet-Continued

Equity and Liabilities-Continued:

Balance at Beginning of Year	Description	Balance at Close of Year
-	Total Long Term Debt	-
	Current and Accrued Liabilities	
3,377,089	Accounts Payable	4,141,194
-	Notes Payable	-
-	Advance Billings and Payments	-
108,550	Customer Deposits	-
-	Current Maturities-Long Term Debt	-
-	Current Maturities-Capital Leases	-
-	Income Taxes Accrued	-
166,863	Other Accrued Taxes	490,771
	Other Accrued Liabilities	
3,454,664	Other Current Liabilities	2,834,113
7,107,166	Total Current and Accrued Liabilities	7,466,078
	Other Liabilities and Deferred Credits	
-	Other Long Term Liabilities	
-	Premium on Long Term Debt	
-	Unamortized Operating Investment Tax Credits-Net	
-	Unamortized Nonoperating Investment Tax Credits-Net	
942,821	Other Deferred Credits	1,036,263
	Net Current Deferred Operating Income Taxes	
	Net Current Deferred Nonoperating Income Taxes	
394,000	Net Noncurrent Deferred Operating Income Taxes	379,000
(130,577)	Net Noncurrent Deferred Nonoperating Income Taxes	7,423
-	Other Jurisdictional Liabilities and Deferred Credits	-

Schedule #3-Balance Sheet-Continued

Equity and Liabilities-Continued:

Balance at Beginning of Year	Description	Balance at Close of Year
1,206,244	Total Other Liabilities and Deferred Credits	1,422,686
8,313,410	Total Liabilities and Other Credits	8,888,764
52,300,221	Total Stockholders Equity and Liabilities	57,087,438

Schedule #4-Retained Earnings

Description	Debits	Credits
Retained Earnings Account		
Retained Earnings-Beginning of Year		43,175,611
Miscellaneous Debits to Retained Earnings		-
Miscellaneous Credits to Retained Earnings		-
Net Income or Loss From Operations		7,051,063
Retained Earnings-End of Year		50,226,674
Appropriated Retained Earnings:		-
Dividends Decleared	2,839,200	
Other		
Unappropriated Retained Earnings:		
Jurisdictional Retained Earnings		
Other		
Retained Earnings-Total End of Year		47,387,474

Exchange Central Office Business			Total
One-Party Basic			
Two-Party Basic			
Four-Party Basic			
Measured Service			
Message			
Public Coin			
Public Coinless			
Cocot			
PBV			
Centrex			
FX			
Feature Group A			
Other IXC Access			
Total All Other			
Total Business			6,230
Residence			
One-Party Basic			
Two-Party Basic			
Four-Party Basic			
Measured Service			
Total All Other			
Total Residence			16,707
Total Access Lines			22,937
Total Number of Customers			

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2008-327-C

In Re: Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Home Telephone Company, Inc. and for Alternative Regulation	)

DIRECT TESTIMONY OF

WARREN R. FISCHER, C.P.A.

ON BEHALF OF

TIME WARNER CABLE INFORMATION SERVICES (SOUTH CAROLINA) LLC

EXHIBIT WRF-5

Cited Portions of Home's 2004 Telecommunications Company Annual Report

RECEIVED
MAY 12 2005
ORS
T,T,W,W/W

PUBLIC SERVICE COMMISSION
AND OFFICE OF REGULATORY STAFF

ANNUAL REPORT

(Complete and Return with Annual Report)

[x] For Calendar Year Ending December 31, 2004

[ ] For Fiscal Year Ending _____

IDENTIFICATION (legal title)

PSC/ORS No. _____ (leave blank) Federal ID No. 57-0339548

Check/Date: [ ] Sole Proprietorship [ ] Partnership [x] Corporation _____

Name of Company: Home Telephone Company, Inc

Doing Business As: _____

Street Address: 579 Stoney Landing Road

City Moncks Corner State SC Zip Code 29461

Telephone No. *(Include Area code)* (843) 761-9101

TYPE BUSINESS (CHECK ALL THAT APPLY)

[ ] CLEC	[ ] ELECTRIC	[ ] WATER	[ ] TAXI
[x] ILEC	[ ] GAS	[ ] WATER/SEWER	[ ] LIMOUSINE
[ ] IXC	[ ] RAILROAD	[ ] SEWERAGE	[ ] SHUTTLE
[ ] HOUSEHOLD GOODS		[ ] HAZARDOUS WASTE	

CONTACT (for purpose of this report)

Contact Name: Alan Smoak

Title: Accounting Manager Telephone: (843) 761-9169

Email Address: Alan.Smoak@Hometelco.com Fax No. (843) 761-6869

Schedule #2-Operating Revenue & Expenses

Year Ending December 31, 2004 or Fiscal Year Ending

Operating Revenues:		Combined	Intrastate Gross Receipts
Local Network Services Revenue	5001-5069	8,177,851	
Network Access Service Revenues	5080	10,439,776	
Long Distance Revenues	5100-5169	296,502	
Miscellaneous Revenues	5230-5270	2,998,389	
Uncollectible Revenues	5301-5302	(119,626)	
Total Revenues		21,792,892	
Operating Expenses:			
Plant Specific Expenses	6112-6410	4,220,756	
Plant Nonspecific Expenses	6560	7,118,227	
Customer Operations Expenses	6620	2,421,754	
Corporate Operations Expenses	6711-6790	2,916,451	
perating Taxes other than Income	7240	663,856	
Operating Investment Tax Credits-Net	7210	-	
Operating Taxes-Income-Current-Federal	7220	1,075,000	
Operating Taxes-Income-Current-State	7230	10,000	
Operating Taxes-Deferred Income-Net	7250	462,000	
Total Operations Expenses		18,888,044	
Net Income from Operations		2,904,848	
Interest Income	7320	707,337	
Nonoperating Income and Expenses	7310-7450	2,137,499	
Fixed Charges-(Other Than Interest on Debt)		44,872	
Interest Expense on Funded Debt	7510	-	
Non-regulated Net Income	7610-7991	309,602	
Net Income		6,014,414	

Schedule #3-Balance Sheet
Company: Home Telephone Company, Inc.
Date of Balance Sheet: December 31, 2004

Assets:

Balance at Beginning of Year	Description	Balance at Close of Year
	Telecommunications Plant	
71,959,742	Telephone Plant in Service	78,235,258
-	Property Held for Future Use	-
2,659,976	Telecommunications Plant under Construction	1,830,414
-	Telecommunicatons Plant Adjustment	-
-	Non-Operating Plant	-
-	Goodwill	-
74,619,718	Total Plant	80,065,672
49,268,722	Depreciation Reserve-Plant	54,151,398
-	Depreciation Reserve-Other	-
49,268,722	Total Depreciation Reserve	54,151,398
25,350,996	Net Telecommunications Plant	25,914,274
	Non-Current Assets	
110,000	Investments in Affiliated Companies	(44,550)
3,045,367	Investment in Non-Affiliated Companies	3,165,236
7,364,985	Non-Regulated Investments	6,564,865
-	Other Non-Current Assets	9,500,000
10,520,352	Total Non-Current Assets	19,185,551
	Current Assets	
474,702	Cash	481,993
18,117,821	Temporary Investments	9,094,314
1,336,393	Telecommunications Accounts Receivables	1,261,325
(59,907)	Allowance for Bad Debts	(60,000)

Schedule #3-Balance Sheet-Continued

Assets-Continued:

Balance at Beginning of Year	Description	Balance at Close of Year
	Current Assets-Continued	
793,246	Interest, Dividends & Other Accounts Receivable	1,190,664
-	Notes Receivable-Net	-
323,335	Materials & Supplies Inventory	482,559
20,985,590	Total Current Assets	12,450,855
	Prepaid Accounts & Deferred Charges	
-	Prepaids	816,477
230,500	Deferred Charges	264,500
230,500	Total Prepaid Accounts & Deferred Charges	1,080,977
57,087,438	Total Assets	58,631,657
	Stockholders Equity	
811,200	Capital Stock	811,200
-	Additional Paid in Capital	-
-	Treasury Stock	-
-	Other Capital	-
47,387,474	Retained Earnings	50,157,088
48,198,674	Total Stockholders Equity	50,968,288
	Long Term Debt	
-	Funded Debt	-
-	Reacquired Debt	-
-	Obligations Under Capital Leases	-
-	Advances from Affiliated Companies	-
-	Other Long Term Debt	500,000

Schedule #3-Balance Sheet-Continued

Equity and Liabilities-Continued:

Balance at Beginning of Year	Description	Balance at Close of Year
-	Total Long Term Debt	500,000
	Current and Accrued Liabilities	
4,141,194	Accounts Payable	2,211,350
-	Notes Payable	-
-	Advance Billings and Payments	-
-	Customer Deposits	-
-	Current Maturities-Long Term Debt	-
-	Current Maturities-Capital Leases	-
-	Income Taxes Accrued	-
490,771	Other Accrued Taxes	166,578
	Other Accrued Liabilities	
2,834,113	Other Current Liabilities	2,693,240
7,466,078	Total Current and Accrued Liabilities	5,071,168
	Other Liabilities and Deferred Credits	
	Other Long Term Liabilities	
	Premium on Long Term Debt	
	Unamortized Operating Investment Tax Credits-Net	
	Unamortized Nonoperating Investment Tax Credits-Net	
1,036,263	Other Deferred Credits	1,120,778
	Net Current Deferred Operating Income Taxes	
	Net Current Deferred Nonoperating Income Taxes	
379,000	Net Noncurrent Deferred Operating Income Taxes	875,000
7,423	Net Noncurrent Deferred Nonoperating Income Taxes	96,423
-	Other Jurisdictional Liabilities and Deferred Credits	-

Schedule #3-Balance Sheet-Continued

Equity and Liabilities-Continued:

Balance at Beginning of Year	Description	Balance at Close of Year
1,422,686	Total Other Liabilities and Deferred Credits	2,092,201
8,888,764	Total Liabilities and Other Credits	7,663,369
57,087,438	Total Stockholders Equity and Liabilities	58,631,657

Schedule #4-Retained Earnings

Description	Debits	Credits
Retained Earnings Account		
Retained Earnings-Beginning of Year		47,387,474
Miscellaneous Debits to Retained Earnings		-
Miscellaneous Credits to Retained Earnings		-
Net Income or Loss From Operations		6,014,414
Retained Earnings-End of Year		53,401,888
Appropriated Retained Earnings:		-
Dividends Decleared	3,244,800	
Other		
Unappropriated Retained Earnings:		
Jurisdictional Retained Earnings		
Other		
Retained Earnings-Total End of Year		50,157,088

Exchange Central Office Business			Total
One-Party Basic			
Two-Party Basic			
Four-Party Basic			
Measured Service			
Message			
Public Coin			
Public Coinless			
Cocot			
PBV			
Centrex			
FX			
Feature Group A			
Other IXC Access			
Total All Other			
Total Business			6,143
Residence			
One-Party Basic			
Two-Party Basic			
Four-Party Basic			
Measured Service			
Total All Other			
Total Residence			16,539
Total Access Lines			22,682
Total Number of Customers			

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2008-327-C

In Re: Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Home Telephone Company, Inc. and for Alternative Regulation	)

DIRECT TESTIMONY OF

WARREN R. FISCHER, C.P.A.

ON BEHALF OF

TIME WARNER CABLE INFORMATION SERVICES (SOUTH CAROLINA) LLC

EXHIBIT WRF-6

Cited Portions of Home's 2005 Telecommunications Company Annual Report

TELECOMMUNIC
COMPANY ANNUA

HOME TELEPHONE COMPANY INC
PO Box 1194
Moncks Corner, SC 29461

OF

Home Telephone Company, Inc.

Exact Legal Name of Respondent

PSC/ORS Number (leave blank)

APR 0 3 2006
RECEIVED

FOR THE YEAR ENDED 2005

[X] Calendar Year Ending December 31, 2005
or
[ ] Fiscal Year Ending _____

LOCAL EXCHANGE CARRIER ANNUAL REPORT
Schedule #1-Operating Revenue & Expenses

Year Ending December 31, 2005

Operating Revenues:	Uniform System of Accounts	G/L Accounts	Combined	Intrastate
Local Network Service Revenues	5001-5069		8,164,217	
Network Access Service Revenues	5080		11,475,371	
Long Distance Revenues	5100-5169		280,776	
Miscellaneous Revenues	5230-5270		2,863,723	
Uncollectible Revenues	5301-5302		(58,324)	
Total Revenues			22,725,763	
Operating Expenses:				
Plant Specific Expenses	6112-6410		4,431,597	
Plant Nonspecific Expenses	6560		7,846,404	
Customer Operations Expenses	6620		2,597,872	
Corporate Operations Expenses	6711-6790		3,108,625	
Operating Taxes other than Income	7240		659,470	
Operating Investment Tax Credits-Net	7210		-	
Operating Taxes-Income-Current-Federal	7220		2,120,000	
Operating Taxes-Income-Current-State	7230		75,000	
Operating Taxes-Deferred Income-Net	7250		(854,000)	
Total Operations Expenses			19,984,968	
Net Income from Operations			2,740,795	
Interest Income	7320		1,028,912	
Nonoperating Income and Expenses	7310-7450		1,284,604	
Fixed Charges-(Other Than Interest on Debt)			48,210	
Interest Expense on Funded Debt	7510		-	
Non-regulated Net Income	7610-7991		298,138	
Extraordinary Items			-	
Net Income			5,304,239	

LOCAL EXCHANGE CARRIER ANNUAL REPORT
Schedule #2- Balance Sheet

Date of Balance Sheet: December 31, 2005

Description	G/L Accounts	Balance at Close of Year
Current Assets		
Cash		817,526
Temporary Investments		12,691,363
Telecommunications Accounts Receivables		1,229,657
Allowance for Bad Debts		(60,000)
Interest, Dividends & Other Accounts Receivable		2,396,847
Notes Receivable-Net		-
Materials & Supplies Inventory		540,891
Other Current Assets		-
Total Current Assets		17,416,284
Prepaid Accounts & Deferred Charges		
Prepaids		335,610
Deferred Charges		255,000
Total Prepaid Accounts & Deferred Charges		590,610
Non-Current Assets		
Investments in Affiliated Companies		-
Investment in Non-Affiliated Companies		-
Non-Regulated Investments		-
Other Non-Current Assets		17,505,654
Total Non-Current Assets		17,505,654
Telecommunications Plant		
Telephone Plant in Service		82,482,717
Property Held for Future Use		-
Telecommunications Plant under Construction		1,899,573
Telecommunications Plant Adjustment		-

Schedule #2- Balance Sheet-Continued

Description	G/L Accounts	Balance at Close of Year
Telecommunications Plant-Continued		
Non-Operating Plant		-
Goodwill		-
Total Plant		84,382,290
Depreciation Reserve-Plant		58,942,893
Depreciation Reserve-Other		-
Total Depreciation Reserve		58,942,893
Net Telecommunications Plant		25,439,397
Total Assets		60,951,945
Current and Accrued Liabilities		
Accounts Payable		3,295,590
Notes Payable-Affiliated		-
Advance Billings and Payments		-
Customer Deposits		-
Current Maturities-Long Term Debt		-
Current Maturities-Capital Leases		-
Income Taxes Accrued		-
Other Accrued Taxes		163,938
Other Accrued Liabilities		-
Other Current Liabilities		2,791,534
Total Current and Accrued Liabilities		6,251,062
Other Liabilities and Deferred Credits		
Other Long Term Liabilities		-
Premium on Long Term Debt		-
Unamortized Operating Investment Tax Credits-Net		-

Schedule #2- Balance Sheet-Continued

Description	G/L Accounts	Balance at Close of Year
Other Liabilities and Deferred Credits-Continued		
Unamortized Nonoperating Investment Tax Credits-Net		-
Other Deferred Credits		1,015,607
Net Current Deferred Operating Income Taxes		-
Net Current Deferred Nonoperating Income Taxes		-
Net Noncurrent Deferred Operating Income Taxes		11,000
Net Noncurrent Deferred Nonoperating Income Taxes		(108,000)
Other Jurisdictional Liabilities and Deferred Credits		-
Total Other Liabilities and Other Credits		918,607
Long Term Debt		
Funded Debt		-
Reacquired Debt		-
Obligations Under Capital Leases		-
Advances from Affiliated Companies		-
Other Long Term Debt		-
Total Long Term Debt		500,000
Total Liabilities		7,669,669
Stockholders Equity		
Capital Stock		811,200
Additional Paid In Capital		-
Treasury Stock		-
Other Capital		-
Retained Earnings		52,471,076
Total Stockholders Equity		53,282,276
Total Stockholders Equity and Liabilities		60,951,945

Schedule #3-Retained Earnings

Description	Debits	Credits
Retained Earnings Account		
Retained Earnings-Beginning of Year		50,157,088
Miscellaneous Debits to Retained Earnings		254,549
Miscellaneous Credits to Retained Earnings		-
Net Income or Loss From Operations		5,304,239
Retained Earnings-End of Year		55,715,876
Appropriated Retained Earnings:		-
Dividends Declared	3,244,800	
Other		-
Unappropriated Retained Earnings:		-
Jurisdictional Retained Earnings		-
Other		-
Retained Earnings-Total End of Year		52,471,076

Schedule #7-Access Lines

Total Business	6,270
Total Residence	16,341
Total Access Lines	22,611
Total Number of Customers	N/A
Total Wholesale Customers	N/A
Total Wholesale DSL Customers	N/A

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2008-327-C

In Re: Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Home Telephone Company, Inc. and for Alternative Regulation	)

Fischer Testimony Exhibit WRF-7

HOME TELEPHONE CO.'S

2006 TELECOMMUNICATIONS COMPANY ANNUAL REPORT

INCLUDING CONFIDENTIAL SCHEDULES

CONFIDENTIAL AND PROPRIETARY

FILED UNDER SEAL

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2008-327-C

In Re: Application of Time Warner Cable Information Services (South Carolina) LLC, d/b/a Time Warner Cable to Amend its Certificate of Public Convenience and Necessity to Provide Telephone Services in the Service Area of Home Telephone Company, Inc. and for Alternative Regulation	)

DIRECT TESTIMONY OF

WARREN R. FISCHER, C.P.A.

ON BEHALF OF

TIME WARNER CABLE INFORMATION SERVICES (SOUTH CAROLINA) LLC

EXHIBIT WRF-8

Cited Portions of AT&T South Carolina's 2007 Telecommunications Company Annual Report

TELECOMMUNICATIONS COMPANY ANNUAL REPORT

OF

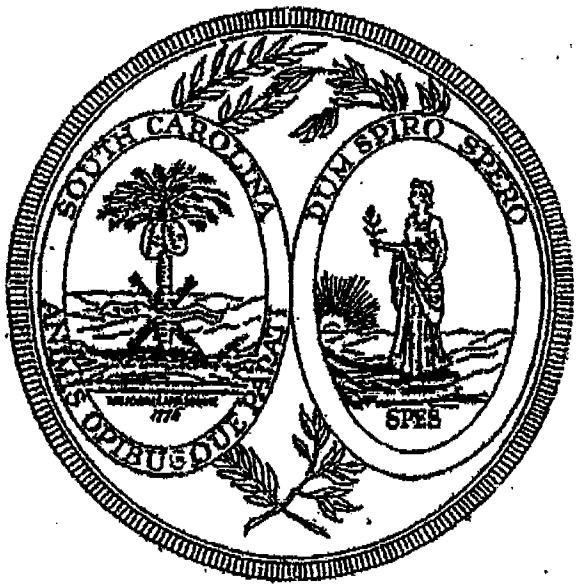
BellSouth Telecommunications, Inc.
DBA: AT&T South Carolina

Exact Legal Name of Respondent

PSC/ORS Number (leave blank)

FOR THE YEAR ENDED 2007

[X] Calendar Year Ending December 31, 2007
or
[ ] Fiscal Year Ending _____



LOCAL EXCHANGE CARRIER ANNUAL REPORT
Schedule #1-Operating Revenue & Expenses

Year Ending December 31, 2007

Operating Revenues:	Uniform System of Accounts	G/L Accounts	Combined	Intrastate
Local Network Service Revenues	5001-5069	5000	474,968,464	474,968,464
Network Access Service Revenues	5080	5080	289,406,195	43,721,804
Long Distance Revenues	5100-5169	5100	21,914,109	21,682,309
Miscellaneous Revenues	5230-5270	5200	257,603,430	91,472,655
Uncollectible Revenues	5301-5302	5300	(13,633,008)	(8,544,589)
Total Revenues			1,030,259,190	623,300,643
Operating Expenses:				
Plant Specific Expenses	6112-6410	6112-6441	139,676,252	
Plant Nonspecific Expenses	6560	6511-6560	342,263,577	
Customer Operations Expenses	6610-6620	6611-6623	103,745,205	
Corporate Operations Expenses	6711-6790	6720-7100	83,980,579	
Operating Taxes other than Income	7240	7240	48,896,901	
Operating Investment Tax Credits-Net	7210	7210	(11)	
Operating Taxes-Income-Current-Federal	7220	7220	103,362,728	
Operating Taxes-Income-Current-State	7230	7230	11,843,793	
Operating Taxes-Deferred Income-Net	7250	7250	(7,273,626)	
Total Operations Expenses			826,495,498	
Net Income from Operations			203,763,692	
Interest Income	7320	7300.1200	37,638	
Nonoperating Income and Expenses	7310-7450	7300-7400 Less 7300.1200	(85,124,465)	
Fixed Charges-(Other Than Interest on Debt)		7500 Less 7500.1000	20,260,833	
Interest Expense on Funded Debt	7510	7500.1000	9,157,686	
Non-regulated Net Income	7610-7991	7600-7990	0	
Extraordinary Items				
Net Income			89,258,446	

LOCAL EXCHANGE CARRIER ANNUAL REPORT
Schedule #2- Balance Sheet

Date of Balance Sheet: December 31, 2007

Description	G/L Accounts	Balance at Close of Year
Current Assets		
Cash	1120	0
Temporary Investments	1120.6000	0
Telecommunications Accounts Receivables (See End Note C)	1170	N/A
Allowance for Bad Debts (See End Note C)	1171	N/A
Interest, Dividends & Other Accounts Receivable (See End Note C)	1170.8200	N/A
Notes Receivable-Net (See End Note C)	1170.8100	N/A
Materials & Supplies Inventory	1220	5,055,919
Other Current Assets	1350	0
Total Current Assets		5,055,919
Prepaid Accounts & Deferred Charges		
Prepaids	1280	0
Deferred Charges (See End Note B)	1437-1438	707,696
Total Prepaid Accounts & Deferred Charges		707,696
Non-Current Assets		
Investments in Affiliated Companies	1410.1000	0
Investment in Non-Affiliated Companies	1410.7000	0
Non-Regulated Investments	1406	0
Other Non-Current Assets	1410.0000	0
Total Non-Current Assets		0
Telecommunications Plant		
Telephone Plant in Service (See End Note E)	2001	4,238,524,119
Property Held for Future Use	2002	0
Telecommunications Plant under Construction	2003	2,065,772
Telecommunications Plant Adjustment (See End Note E)	2005	0

Schedule #2- Balance Sheet-Continued

Description	G/L Accounts	Balance at Close of Year
Telecommunications Plant-Continued		
Non-Operating Plant	2006	25,766
Goodwill	2007	0
Total Plant		4,240,615,657
Depreciation Reserve-Plant	3100	3,140,533,419
Depreciation Reserve-Other (See End Note E)	3200-3600	59,967,462
Total Depreciation Reserve		3,200,500,881
Net Telecommunications Plant		1,040,114,776
Total Assets		1,045,878,391
Current and Accrued Liabilities		
Accounts Payable (See End Note D)	4000.1000	N/A
Notes Payable-Affiliated	4000.2100	0
Advance Billings and Payments	4130.4000	29,213,787
Customer Deposits	4040	2,482,710
Current Maturities-Long Term Debt	4130.5100	0
Current Maturities-Capital Leases	4130.6000	0
Income Taxes Accrued	4070	173,627,492
Other Accrued Taxes	4080	39,718,593
Other Accrued Liabilities	4130.2900	(1,594,629)
Other Current Liabilities	4130 Less 4130.4000 Less 4130.2900	6,396,104
Total Current and Accrued Liabilities		249,844,057
Other Liabilities and Deferred Credits		
Other Long Term Liabilities (See End Note D)	4300	N/A
Premium on Long Term Debt	4200.2100	0
Unamortized Operating Investment Tax Credits-Net	4320	-

Schedule #2- Balance Sheet-Continued

Description	G/L Accounts	Balance at Close of Year
Other Liabilities and Deferred Credits-Continued		
Unamortized Nonoperating Investment Tax Credits-Net	4330	0
Other Deferred Credits (See End Note B)	4300.4300	174,855
Net Current Deferred Operating Income Taxes	4100	(475,497)
Net Current Deferred Nonoperating Income Taxes	4110	2,777,874
Net Noncurrent Deferred Operating Income Taxes	4340	197,842,433
Net Noncurrent Deferred Nonoperating Income Taxes	4350	(4,220,669)
Other Jurisdictional Liabilities and Deferred Credits	4370	0
Total Other Liabilities and Other Credits		196,098,996
Long Term Debt		
Funded Debt	4200.1000	0
Reacquired Debt	N/A	N/A
Obligations Under Capital Leases	4200.2300	0
Advances from Affiliated Companies	4200.3000	0
Other Long Term Debt	4200.2400	0
Total Long Term Debt		0
Total Liabilities		445,943,053
Stockholders Equity		
Capital Stock		0
Additional Paid In Capital		0
Treasury Stock		0
Other Capital		0
Headquarters Control	9999	599,935,338
Total Stockholders Equity		599,935,338
Total Stockholders Equity and Liabilities		1,045,878,391

Schedule #3-Retained Earnings

Description	Debits	Credits
Retained Earnings Account		
Retained Earnings-Beginning of Year		741,834,007
Miscellaneous Debits to Retained Earnings		
Miscellaneous Credits to Retained Earnings		
Net Income or Loss From Operations		89,258,446
Retained Earnings-End of Year		
Appropriated Retained Earnings:		
Dividends Declared		
Other		
Unappropriated Retained Earnings:		
Jurisdictional Retained Earnings		
Other	231,157,115	
Retained Earnings-Total End of Year		599,935,338

Schedule #7- South Carolina Local Access Lines

Total Business (See End Note F)	339,754
Total Residence (See End Note F)	716,177
Total Lifeline Access Lines (See End Note H)	23,480
Total Access Lines (See End Note F)	1,079,411
Total Number of Customers	787,387
Total Wholesale Customers (See End Note G)	165
Total Wholesale DSL Customers (See End Note G)	16