BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2008-328-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 PBT Telecom, Inc. and	)
For Alternative Regulation	)
	)

PUBLIC VERSION

TESTIMONY OF
CHARLENE KEYS

ON BEHALF OF

TIME WARNER CABLE INFORMATION SERVICES (SOUTH CAROLINA), LLC

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

A. My name is Charlene Keys and I am Vice President and General Manager of Time Warner Cable's Columbia and Hilton Head Markets. My business address is 3347 Platt Springs Road, West Columbia, South Carolina 29170. My telephone number is (803) 744-5497 and my email address is Charlene.Keys@TWCable.com.

Q. WHAT ARE YOUR JOB RESPONSIBILITIES?

A. I oversee business operations, construction, technical operations, quality assurance and service delivery for Time Warner Cable's Voice, Video and Data lines of business.

Q. PLEASE GIVE A BRIEF DESCRIPTION OF YOUR BACKGROUND AND EXPERIENCE.

A. I joined Time Warner Cable in 2004 as Vice President and General Manager of Voice. I was responsible for leading the launch and management of the South Carolina division's residential voice service. I have also held senior management positions at KMC Telecom; MCI WorldCom, Inc.; Sprint Corporation and Civature Consulting. While serving as General Manager, Network Operations at Ameritech Corporation in Chicago, I was selected and successfully completed an executive exchange program with Deutche Telecom in Bonn and Berlin, Germany. I recently graduated from the Betsy Magness Leadership Institute, Women in Cable Telecommunications' flagship executive development program. I am an Executive Board member of Midlands Technical College Foundation Board, and the Columbia Chamber of Commerce. I am a Board Member of the Columbia Urban League and the Carolinas Chapter of Women in Cable Telecommunications. I recently received the Lincoln C. Jenkins, Jr. Award which recognized me as a trailblazer in promoting equal

opportunity and social justice during the Columbia Urban League's 41st Annual Equal Opportunity Day Dinner. I have a Master's Degree in Business Administration from Mercer University in Atlanta and a Bachelor's Degree in Business from the University of the State of New York.

Q. ARE YOU FAMILIAR WITH THE APPLICATION TIME WARNER CABLE INFORMATION SERVICES (SOUTH CAROLINA), LLC SUBMITTED TO THIS COMMISSION?

A. Yes.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to present evidence concerning our South Carolina operations and our proposal to expand services to include PBT Telecom, Inc.'s ("PBT") service area.

Q. PLEASE DESCRIBE THE COMPANY'S SOUTH CAROLINA OPERATIONS.

A. We currently provide Digital Phone service in the service areas of Verizon, AT&T, Windstream, Hargray Telephone, Bluffton Telephone, and Horry Telephone Cooperative. We have approximately 1400 employees and 25 work locations in South Carolina.

Q. DESCRIBE THE FACILITIES USED TO PROVIDE VOICE SERVICES IN SOUTH CAROLINA.

A. Time Warner Cable owns and manages cable systems serving approximately 14.6 million customers in 33 states. We offer Digital Phone service over the same Time Warner Cable system facilities that are used to provide video and high-speed data services. We transmit signals using a laser-fed fiber optic cable from origination points known as "headends" and "hubs" to a group of distribution "nodes." Coaxial cable is used to deliver the signals from

the individual nodes to the homes and businesses they serve. Our Digital Phone customers use a voice enabled cable modem that connects to the cable in the customer's home or business. Our system allows the delivery of two-way video and broadband transmissions, which is essential to providing advanced video services, Road Runner high-speed data service and Digital Phone. Sprint Communications Corporation assists TWCIS in providing the Digital Phone service by routing voice traffic to and from destinations outside of our network using the public switched telephone network. Sprint also assists in delivering E911 service, porting telephone numbers, and delivering long distance traffic.

Q. DOES TWICS USE THE PUBLIC INTERNET TO TRANSPORT CALLS?

A. No. Unlike Internet phone providers such as Vonage, we do not use the public Internet to transport calls. "Internet protocol" describes the technology being used which digitizes information. The voice enabled cable modem converts the Digital Phone customer's voice from his telephone into Internet protocol packets that are sent onto the Time Warner Cable network. If the person being called is also a Time Warner Cable Digital Phone customer in South Carolina, then the call would be transported entirely in Internet protocol format, and the voice signals would be received by the receiving party's voice enabled modem. If the person being called is not a Time Warner Cable Digital Phone customer in South Carolina, then the Internet protocol voice packets would be routed to a media gateway device that would convert the Internet protocol packets to traditional circuit switched voice signals and route the call to Sprint and, ultimately, to its final destination.

Q. PLEASE DISCUSS THE GROWTH OF THE DIGITAL PHONE MARKET.

A. As of September 30, 2008, we had 3.6 million Digital Phone customers nationwide. Our Digital Phone service is growing rapidly in South Carolina. ****BEGIN

CONFIDENTIAL****_____

_____

_____ ****END CONFIDENTIAL****

Q. HOW DOES TWCIS MARKET ITS SERVICES?

A. TWCIS markets its Digital Phone services using direct mail and email campaigns to our current customers. We also advertise using local television commercials, newspaper advertising, and radio commercials.

Q. DOES TWCIS TARGET A PARTICULAR MARKET?

A. Time Warner Cable traditionally focused on residential customers so initially our focus was on residential Digital Phone customers. In 2007 we launched a commercial Digital Phone service known as Business Class Phone. Business Class Phone service is geared to small and medium-sized businesses. We have been offering video and high-speed data to businesses for over ten years so this commercial Digital Phone service allows us to offer a bundle of video, high-speed data, and voice services.

Q. TELL US WHY IT IS IMPORTANT TO BE ABLE TO BUNDLE SERVICES.

A. In addition to selling our services separately, we focus on marketing differentiated packages of multiple services and features, or "bundles" for a single price. Increasingly, our customers subscribe to two or three of our services. As of the end of 2007, 48% of Time Warner Cable's customers subscribed to two or more of our primary services. Those subscribing to a bundle receive a discount from the price of buying each service separately and have the convenience of a single monthly bill. The following table illustrates the growth in customers subscribing to bundled offerings over the last three years:

	December 31,		
	2007	2006	2005
		(in thousands)	
TWC customers with 2 primary services (video, HSD, voice)	4,703	4,647	3,099
TWC customers with 3 primary services (video, HSD, voice)	2,363	1,523	760

Q. WHAT OTHER BENEFITS DOES BUNDLING PROVIDE TO CUSTOMERS?

A. We are also developing features that operate across two or more of our services or cross-platform features. For example, we are beginning to offer Caller ID on TV feature that displays an incoming call on the customer's television set at no extra charge. We are now working on other cross-platform features such as "PhotoShowTV" which gives digital video subscribers who subscribe to our Road Runner service the ability to create and share their personal photo shows and videos with other Time Warner Cable video subscribers. We are also developing remote DVR management which would allow customers who subscribe to our DVR service to use the Internet to program their DVRs, and a residential phone web portal which allows subscribers to use the Internet to modify Digital Phone features, make payments and listen to voicemail.

Q. DESCRIBE TWCIS MARKETING STRATEGY.

A. Our marketing primarily focuses on bundles of video, high-speed data, and voice services offered in differentiated but easy to understand packages. It is essential in today's marketplace to be able to bundle service offerings to compete against bundled service offerings from our competitors.

Q. DOES PBT OFFER BUNDLED SERVICE OFFERINGS?

A. Yes, according to the PBT website the company currently offers bundles of local, long distance, wireless, video services, high speed Internet and security services. According to the

PBT website they offer various residential bundles of their products for savings of $10 to $25 per month. See Exhibit CK-1.

Q. DOES TWICS CURRENTLY OFFER CABLE SERVICES IN THE PBT SERVICE AREA?

A. Yes. We are currently providing cable service to****BEGIN CONFIDENTIAL ____ **** END CONFIDENTIAL homes in the PBT service territory. We are at a competitive disadvantage in those areas where we cannot offer to bundle voice services with our other service offerings.

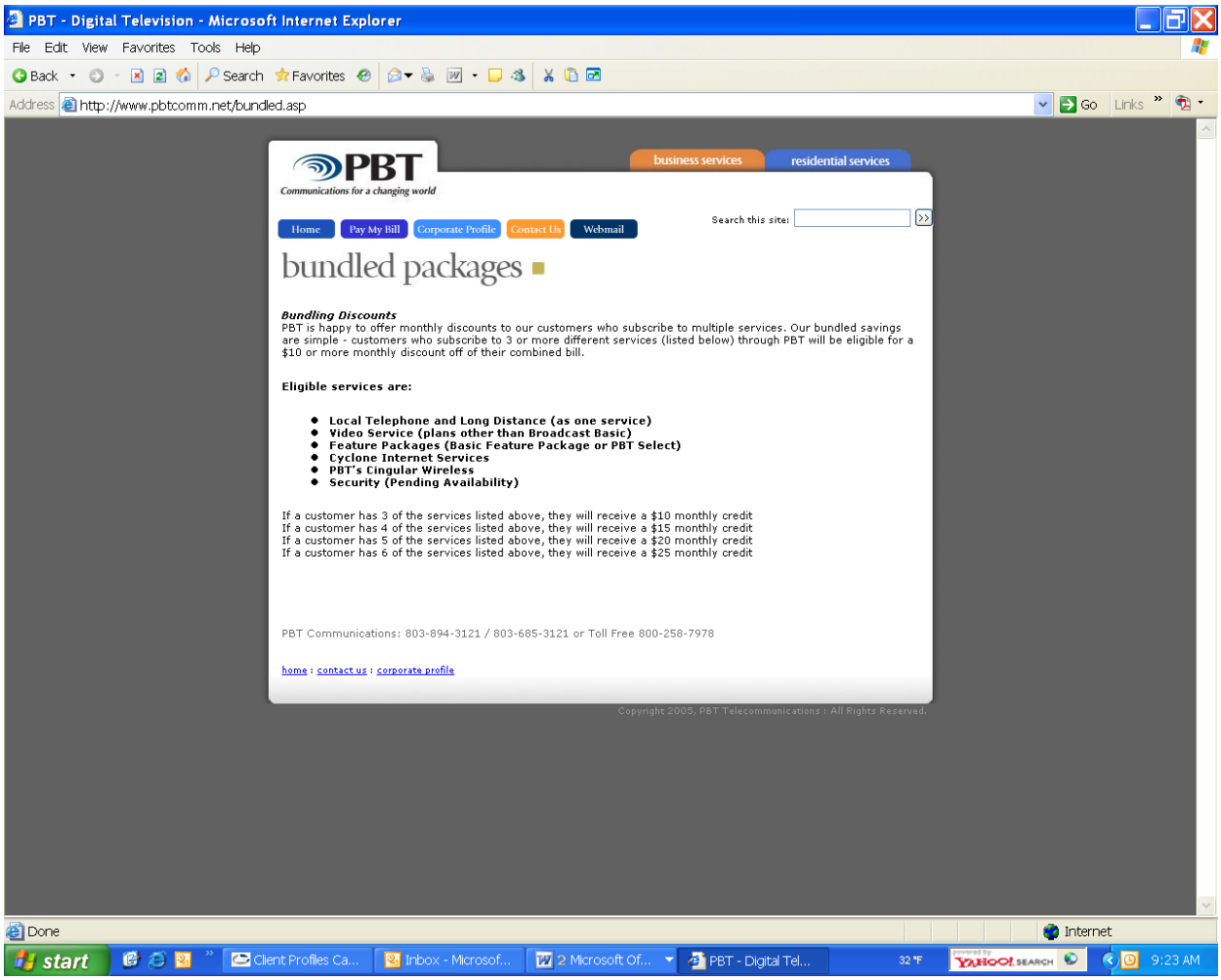
Q. PLEASE TELL US ABOUT THE SERVICES TWCIS PROPOSES TO OFFER?

A. We would be offering the same facilities based Internet protocol based voice services and intrastate telecommunications services currently offered in the areas in which TWCIS is certificated in South Carolina. These services include Digital Phone interconnected VoIP services to retail residential customers, Business Class Phone interconnected VoIP services to retail business customers, and high capacity private line, point to point transmission/telecommunications services to wholesale and retail business customers. We would offer these services pursuant to the South Carolina Tariff No. 1 currently on file at the Commission.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes it does.

Exhibit CK-1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Bundling Discounts
PBT is happy to offer monthly discounts to our customers who subscribe to multiple services. Our bundled savings are simple - customers who subscribe to 3 or more different services (listed below) through PBT will be eligible for a $10 or more monthly discount off of their combined bill.
Eligible services are:
Local Telephone and Long Distance (as one service)
Video Service (plans other than Broadcast Basic)
Feature Packages (Basic Feature Package or PBT Select)
Cyclone Internet Services
PBT's Cingular Wireless
Security (Pending Availability)
If a customer has 3 of the services listed above, they will receive a $10 monthly credit
If a customer has 4 of the services listed above, they will receive a $15 monthly credit
If a customer has 5 of the services listed above, they will receive a $20 monthly credit
If a customer has 6 of the services listed above, they will receive a $25 monthly credit
PBT Communications: 803-894-3121 / 803-685-3121 or Toll Free 800-258-7978
home : contact us : corporate profile
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video services

PBT delivers quality television services to over two-thousand subscribers. Our customers enjoy entertaining movies, exciting sporting events, news, weather, educational and family programming, and even CD-quality digital music. Our wide selection of channels and packages makes it easy to find something good to watch.

Our service offers an Interactive Program Guide that helps customers:

- Easily Determine Channel Programming (by Time or Channel)
- View Programming Types
- Order Pay-Per-View Movies and Events
- Set Programming Reminders
- Create a List of Favorite Channels
- Availability of Parental Control Features for Blocking of Channels, Events, or Movies

PBT Cable Services

PBT Cable service offers four channel packages along with several optional packages. High-Definition Television (HDTV) service is available to any Essential, Prime or Choice subscriber. Digital Video Recorder (DVR) set top boxes are also available. A set top box change-out may be necessary to receive some services.

Broadcast Basic
Off-Air Broadcast Channels

PBT Prime
Additional Entertainment, Sports, and Children's Programming

PBT Essential
Broad Cross-Section of Programming

PBT Choice
All PBT Prime Channels and all Premium Channels

Premium Add-Ons

HBO - The Works - 6 Channels.....Channels 300-305
Cinemax Max Pack - 4 Channels.....Channels 320-323
The Works / Max Pack - 10 Channels.....Channels 300-323
Showtime Extreme - 10 Channels.....Channels 330-359
STARZ! / Encore Movie Mania - 12 Channels.....Channels 360-405
High Definition Package - 8 Channels.....Channels 703, 705, 706, 709, 712, 713, 714 & 718

PBT Cable Services Channel Lineup

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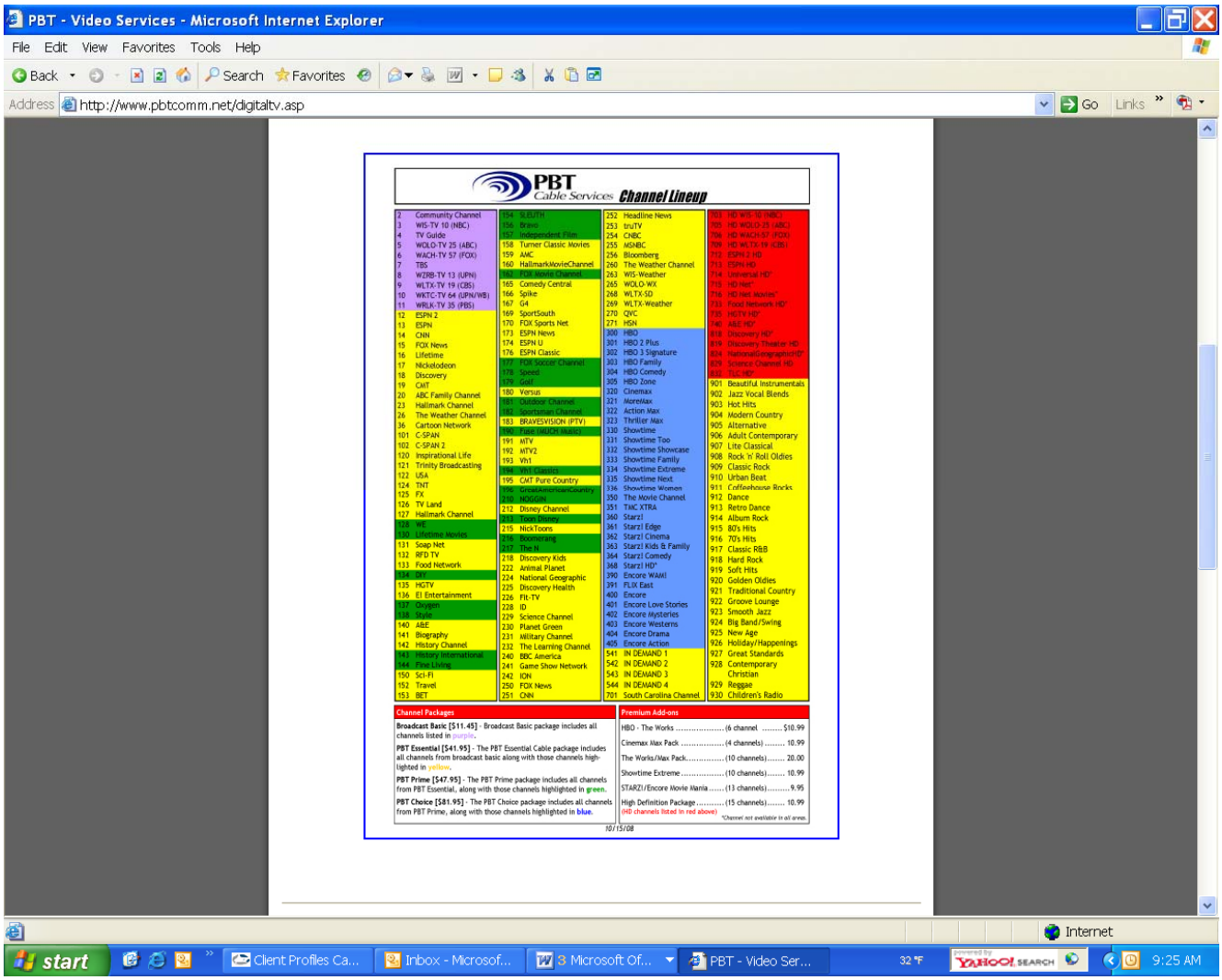

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Go Links

PBT Cable Services **Channel Lineup**

2	Community Channel	154	SLEUTH	252	Headline News	703	HD WIS-10 (NBC)
3	WIS-TV 10 (NBC)	156	Bravo	253	truTV	705	HD WOLO-25 (ABC)
4	TV Guide	157	Independent Film	254	CNBC	706	HD WACH-57 (FOX)
5	WOLO-TV 25 (ABC)	158	Turner Classic Movies	255	MSNBC	709	HD WLTX-19 (CBS)
6	WACH-TV 57 (FOX)	159	AMC	256	Bloomberg	712	ESPN 2 HD
7	TBS	160	HallmarkMovieChannel	260	The Weather Channel	713	ESPN HD
8	WZRB-TV 13 (UPN)	164	FOX Movie Channel	263	WIS-Weather	714	Universal HD*
9	WLTX-TV 19 (CBS)	165	Comedy Central	265	WOLO-WX	715	HD Net*
10	WKTC-TV 64 (UPN/WB)	166	Spike	268	WLTX-SD	716	HD Net Movies*
11	WRLK-TV 35 (PBS)	167	G4	269	WLTX-Weather	733	Food Network HD*
12	ESPN 2	169	SportSouth	270	QVC	735	HGTV HD*
13	ESPN	170	FOX Sports Net	271	HSN	740	A&E HD*
14	CNN	173	ESPN News	300	HBO	818	Discovery HD*
15	FOX News	174	ESPN U	301	HBO 2 Plus	819	Discovery Theater HD
16	Lifetime	176	ESPN Classic	302	HBO 3 Signature	824	NationalGeographicHD*
17	Nickelodeon	177	FOX Soccer Channel	303	HBO Family	829	Science Channel HD
18	Discovery	178	Speed	304	HBO Comedy	832	TLC HD*
19	CMT	179	Golf	305	HBO Zone	901	Beautiful Instrumentals
20	ABC Family Channel	180	Versus	320	Cinemax	902	Jazz Vocal Blends
23	Hallmark Channel	181	Outdoor Channel	321	MoreMax	903	Hot Hits
26	The Weather Channel	182	Sportsman Channel	322	Action Max	904	Modern Country
36	Cartoon Network	183	BRAVESVISION (PTV)	323	Thriller Max	905	Alternative
101	C-SPAN	184	FOX MOVIE (Miami)	330	Showtime	906	Adult Contemporary
102	C-SPAN 2	191	MTV	331	Showtime Too	907	Lite Classical
120	Inspirational Life	192	MTV2	332	Showtime Showcase	908	Rock 'n' Roll Oldies
121	Trinity Broadcasting	193	Vh1	333	Showtime Family	909	Classic Rock
122	USA	194	CMT Classics	334	Showtime Extreme	910	Urban Beat
124	TNT	195	CMT Pure Country	335	Showtime Next	911	Coffeehouse Rocks
125	FX	196	GreatAmericanCountry	336	Showtime Women	912	Dance
126	TV Land	200	MSNBC	350	The Movie Channel	913	Retro Dance
127	Hallmark Channel	212	Disney Channel	351	TMC XTRA	914	Album Rock
128	WE	214	Toon Disney	360	Starz!	915	80's Hits
130	Lifetime Movies	215	NickToons	361	Starz! Edge	916	70's Hits
131	Soap Net	216	Boomerang	362	Starz! Cinema	917	Classic R&B
132	RFD TV	217	The N	363	Starz! Kids & Family	918	Hard Rock
133	Food Network	218	Discovery Kids	364	Starz! Comedy	919	Soft Hits
134	HGTV	222	Animal Planet	368	Starz! HD*	920	Golden Oldies
135	HGTV	224	National Geographic	390	Encore WAM!	921	Traditional Country
136	E! Entertainment	225	Discovery Health	391	PLEX East	922	Groove Lounge
137	Oxygen	226	Flit-TV	400	Encore	923	Smooth Jazz
140	A&E	228	ID	401	Encore Love Stories	924	Big Band/Swing
140	A&E	229	Science Channel	402	Encore Mysteries	925	New Age
141	Biography	230	Planet Green	403	Encore Westerns	926	Holiday/Happenings
142	History Channel	231	Military Channel	404	Encore Drama	927	Great Standards
143	History International	232	The Learning Channel	405	Encore Action	928	Contemporary Christian
144	Style Living	240	BBC America	541	IN DEMAND 1	929	Reggae
150	Sci-Fi	241	Game Show Network	542	IN DEMAND 2	930	Children's Radio
152	Travel	242	ION	543	IN DEMAND 3		
153	BET	250	FOX News	544	IN DEMAND 4		
		251	CNN	701	South Carolina Channel		

Channel Packages

Broadcast Basic [$11.45] - Broadcast Basic package includes all channels listed in purple.

PBT Essential [$41.95] - The PBT Essential Cable package includes all channels from broadcast basic along with those channels highlighted in yellow.

PBT Prime [$47.95] - The PBT Prime package includes all channels from PBT Essential, along with those channels highlighted in green.

PBT Choice [$81.95] - The PBT Choice package includes all channels from PBT Prime, along with those channels highlighted in blue.

Premium Add-ons

HBO - The Works ..... (6 channel $10.99

Cinemax Max Pack ..... (4 channels) 10.99

The Works/Max Pack..... (10 channels)..... 20.00

Showtime Extreme..... (10 channels)..... 10.99

STARZ!/Encore Movie Mania ..... (13 channels)..... 9.95

High Definition Package..... (15 channels)..... 10.99

(HD channels listed in red above)

*Channel not available in all areas.

10/15/08

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Cyclone TV

Cyclone TV service offers three channel packages and several optional channel packages. Cyclone TV customers can also have their service installed to show on-screen caller ID information when the telephone rings. Incoming calls are stored in a log which can be quickly reviewed using your remote. PBT now offers HDTV services to Cyclone TV customers in select areas. Call for details.

PBT Essential

The PBT Essential package includes all channels listed in white.

PBT Prime

The PBT Prime Package includes all channels from Digital Basic, along with those channels highlighted above in red.

PBT Choice

The PBT Choice Package includes all channels from Digital Basic and Digital Plus, along with those channels highlighted above in blue. PBT Choice includes all channels.

Cyclone TV **Channel Lineup**

1	Cyclone VIP Info
2	Community Channel
3	WIS-TV 10 (NBC)
4	WBHQ-TV 64(UPN/WB)
5	WOLO-TV 25 (ABC)
6	WACH-TV 57 (FOX)
8	C-SPAN
9	WLTX-TV 19 (CBS)
10	C-SPAN 2
11	WRLK-TV 35 (PBS)
13	WZRB-TV 13 (UPN)
120	Inspirational Life
121	Trinity Broadcasting
122	USA
123	TBS
124	TNT
125	Turner South
126	WE
127	FX
128	TV Land
129	Lifetime
130	Lifetime Movies
131	Soap Net
132	RFD TV
133	Food
134	DIY
135	HGTV
136	EI
137	Oxygen
138	Style
139	Game Show Network
140	A&E
141	Biography
142	History Channel
143	History International
144	Travel Living
150	Sci-Fi
151	The Learning Channel
152	Travel
153	BET
171	ESPN
172	ESPN2
173	ESPN News
174	ESPN U
176	ESPN Classic
177	FOX Soccer Channel
178	Speed
179	Golf
180	Outdoor
181	Outdoor Channel
182	Sportsman Channel
183	BRAVESVISION (PTV)
190	Great Music Audio
191	MTV
192	MTV2
193	Vh1
194	CMT Classic
195	CMT Pure Country
196	CMT
197	CMT
210	Nickelodeon
211	Nick
212	Disney
213	Toon Disney
214	Cartoon Network
215	NickToons
216	Boomerang
217	Nick GAS
218	Discovery Kids
219	ABC Family
220	ION
221	Discovery
222	Animal Planet
223	Hallmark
224	National Geographic
225	Discovery Health
226	Fit TV
227	G4techTV
228	Discovery Times
229	Science Channel
230	Discovery Home
270	QVC
271	HSN
300	HBO
301	HBO 2 Plus
302	HBO 3 Signature
303	HBO Family
304	HBO Comedy
305	HBO Zone
320	Cinemax
321	MoreMax
322	Action Max
323	Thriller Max
330	Showtime
331	Showtime Too
332	Showtime Showcase
333	Showtime Family
334	Showtime Extreme
335	Showtime Next
336	Showtime Women
350	The Movie Channel
351	TMC XTRA
360	STARZ!
361	Starz Edge
362	STARZ! Cinema
363	Starz Kids & Family
364	Starz Comedy
390	WAM!
391	FLIX
400	Encore
401	Encore Mysteries
402	Encore Westerns
403	Encore Love Stories
404	Encore Action
405	Encore Drama
551	ESPN Full Court 1 PPV
552	ESPN Full Court 2 PPV
553	ESPN Full Court 3 PPV
554	ESPN Full Court 4 PPV
555	ESPN Full Court 5 PPV
800	PPV Previews
801	INDEMAND 1
802	INDEMAND 2
803	INDEMAND 3
804	INDEMAND 4
805	INDEMAND 5
806	INDEMAND 6
807	INDEMAND 7
850	Sports PPV 1
851	Sports PPV 2
852	Sports PPV 3
853	Sports PPV 4
854	Sports PPV 5
855	ESPN NOW
901	DMX Listening Room
902	Jazz Vocal Blends
903	Hot Hits
904	Modern Country
905	Alternative
906	Adult Contemporary
907	Lite Classical
908	Rock 'n' Roll Oldies
909	Classic Rock
910	Urban Beat
911	Coffeehouse Rocks
912	Dance
913	Retro Dance
914	Album Rock
915	80's Hits
916	70's Hits
917	Classic R&B
918	Hard Rock
919	Soft Hits
920	Golden Oldies
921	Traditional Country

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PBT Communications provides you with products and services for all of your telecommunications needs. Our commitment to our customers is, and will always be, our top priority. We offer our customers quality local and long distance telephone, digital television, internet, wireless, and security options. With over 102 years of experience, PBT has always adapted to the ever changing world of communications.
Why choose PBT? Consolidated billing and customer service are a great advantage to PBT customers. You could receive six different bills from six different companies – local telephone service, long distance, Internet, satellite, wireless, and security. With PBT you can combine all of those into a single bill, and write one check each month.
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