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October 28, 2003

Chairman Deborah Tate
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

RE: Charter Communications, Inc.'s Response to Jackson Energy Authority's Objection to Petition for Leave to Intervene and Request for Procedural Schedule; Docket No. 03-00438; Direct Testimony of William J. Barta

Dear Chairman Tate:

Please find enclosed for filing an original and 14 copies of the above referenced direct testimony of William J. Barta. All counsel of record have been served. I am requesting a filed dated stamped copy of this filing for my records.

Thank you for your assistance regarding this matter. If you have any questions, or if I may be of further assistance, please do not hesitate to contact me.

Very truly yours,

FARRIS MATHEWS BRANAN
BOBANGO & HELLEN, PLC

Charles B Welch Jr

Charles B. Welch, Jr.

CBW/cad

cc: Carols C. Smith, Esq.
Mark W. Smith, Esq.
Henry Walker, Esq.

Enclosures

BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE

DIRECT TESTIMONY OF
WILLIAM J. BARTA
OCTOBER 24, 2003
DOCKET NO. 03-00438

Q. Please state your name and business address.

A. My name is William Barta, and my business address is 7170 Meadow Brook Court, Cumming, Georgia 30040.

Q. What is your occupation?

A. I am the founder of Henderson Ridge Consulting, Inc., a regulatory consulting firm. The firm's practice focuses on the technical and policy issues confronting the regulatory authorities overseeing the competitive developments occurring within the telecommunications and electric utility industries.

Q. Please provide a summary of your education and professional experience.

A. I graduated in 1978 from The Lindenwood Colleges where I received a Bachelor of Arts degree, cum laude, with a study emphasis in accounting. After working for nearly two years as a staff accountant in private industry, I enrolled in the graduate business program at Emory University and, in 1982, received my Masters of Business Administration with concentrations in finance and marketing.

After graduating from Emory University in 1982, I joined the Bell System as an Account Executive. In 1983, I transferred to AT&T Communications where I provided a broad range of accounting regulatory support functions to the nine state Southern Region.

From 1986 through 1988, I held various positions in the regulatory departments of Contel Corporation, an independent local exchange carrier. My responsibilities ranged from tariff support to ratemaking and rate design issues to line of business feasibility studies.

In April 1988, I joined the firm of J. Kennedy and Associates, Inc., a regulatory and economic consulting firm. As a Manager at Kennedy and Associates, I directed or supported the ratemaking investigations of major telecommunications and electric utilities. My work covered rate design, revenue requirements analysis, and the determination of the appropriate cost of capital and other issues associated with traditional rate base/rate of return regulation.

Since the passage of The Telecommunications Act of 1996, I have participated in numerous regulatory proceedings initiated in response to the Act's pro-competitive mandates. The policy and technical issues addressed in these proceedings include universal service and access charge reform, interim and permanent pricing for local interconnection and unbundled network elements, avoided retail cost studies for resale purposes, evaluation of local number portability cost studies, assessment of Contract Service Arrangements, collocation cost analysis, reciprocal compensation for intercarrier local exchange traffic, and the mediation of joint use pole disputes.

Q. Do you hold any professional certifications?

A. Yes. I am a Certified Public Accountant with an active license to practice in the State of Georgia. Exhibit No. WJB-1 provides more detailed information on my experience.

Q. On whose behalf are you testifying in this proceeding?

A. I am testifying on behalf of Charter Communications.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to direct the attention of the Directors of the Tennessee Regulatory Authority to major flaws that severely limit the review of the Application of Jackson Energy Authority ("JEA" or "the Company") for a Certificate of Public Convenience and Necessity. It is my belief that the shortcomings of the Company's Application preclude the Directors' approval of the Application until these deficiencies are cured.

Q. Please provide a summary of your testimony.

A. Jackson Energy Authority is requesting that the TRA grant the Company authority to provide facilities-based telecommunications carriers' carrier within Madison County, Tennessee. But the striking lack of documentation filed in support of the Application does not a permit the TRA and other interested parties to conduct a meaningful analysis in order to assess the reasonableness of the request.

JEA plans to construct a fiber to the home, broadband network that will connect nearly 31,000 potential customers for an initial investment of $60 million. The Network will have the capabilities of supporting telephony and/or data services, video and Internet capabilities, and cable television services. According to JEA, the Network holds great promise for region wide economic development.

JEA has formed a separate Telecommunications Division to achieve organizational and accounting separation. There will be three distinct business units within the Telecommunications Division: Cable Television, Internet Access, and Telephone. Nearly all of the capital expenditures and expenses of the Telecommunications Division will remain with the Cable Television Business Unit. The Telephone Business Unit will have no fixed assets (i.e. network facilities) and no employees directly assigned to it.

The proposed organizational structure and accounting policy raise concerns. If nearly all of the activity of the Telecommunications Division is classified to and remains with the Cable Television Business Unit, then one could logically conclude that the Telephone Business Unit will be a minor part of the Division's operations. But such a scenario conflicts with management's claims that the Network will stimulate economic development. It is doubtful that using the expensive, new Network primarily to enhance the delivery of cable television will fulfill the promise of region wide economic benefits.

JEA seeks the Directors' approval to operate as a facilities-based carriers' carrier. But it is difficult to understand how the Telephone Business Unit can be considered as a facilities-based carrier without owning any facilities or having any employees. Based upon JEA's proposed accounting policy, the Cable Television Business Unit will control the Network. The Company's Application, however, provides only limited information on the operations of the Telephone Business Unit – and none has been provided on the other two business units. The Application, as presently filed, effectively minimizes the role of the TRA by shifting nearly all of the operations to a business unit of which the Authority has no jurisdictional oversight – the Cable Television Business Unit.

The Application also raises questions concerning the Cost Allocation Manual and the Pro Forma Financial Statements. The Telephone Business Unit will not be assigned or allocated any Network investment and only minimal operating expenses under the Cost Allocation Manual. But JEA has heralded the Network as a region wide economic catalyst and projects that it will have multiple Competitive Local Exchange Carriers ("CLECs") as customers. The question is raised as to why the anticipated volume of usage on the Network for telephony services does not generate any direct or shared cost of the facilities – at least under the Company's Cost Allocation Manual.

JEA has only submitted pro forma financial statements for the Telephone Business Unit for the first three years of operations. No financial information was provided for the operations of the Cable Television Business Unit and the Internet Access Business Unit. Furthermore, there is no documentation provided in the Application on how the amounts in each line item of the financial statements of the Telephone Business Unit were developed. The TRA and other interested parties should have the opportunity to assess the reasonableness of assumptions underlying the projected revenue and expense levels.

The Company's Application simply does not present adequate information on the proposed operations of the Telecommunications Division and the Telephone Business Unit to make a sound decision on whether its request to serve as a facilities-based carriers' carrier should be approved. The TRA should request that the Company provide complete disclosure of the operations of all of the business units operating under the umbrella of the Telecommunications Division.

Q. **Based on the record, what are the proposed plans of Jackson Energy Authority to deploy a telecommunications network?**

A. As stated in its Application, "JEA intends to construct a cable television system with a 'fiber to the home' broadband network architecture ('Network'). The Network will have the capabilities of supporting telephony and/or data services in addition to its core cable television, video and Internet capabilities" (Application, page 3).

Q. What is the estimated cost of the proposed network?

A. According to the Application, "the JEA Board of Directors adopted bond resolutions authorizing the issuance of up to sixty million dollars ($60,000,000) of bonds to provide for the construction of the Network and operating expenses during the start-up period of JEA's cable and Internet operations" (Application, page 7).

Q. Please describe the benefits that JEA claims will stem from the $60 million investment in a Fiber To The Home ("FTTH") Network.

A. JEA envisions many benefits will result from its investment in the FTTH Network:

> **"Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers new technologies, increased efficiencies, and cost savings. Authorizing JEA to provide certain services to CLECs that, in turn, provide competitive local exchange telecommunications services to end users will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development"** (Application, page 11).

Q. Has JEA made similar claims regarding the benefits of the Network other than in its Application?

A. Yes. A recent press release, presented in its entirety in Exhibit No. WJB-2, also touts the benefit of regional economic growth that is being attributed to the deployment of the Network:

> **"'We are excited about rolling out the most advanced network anywhere in the U.S. – and maybe the world,' said Kim Kersey, Senior Vice-President of Telecommunications. 'In addition to the exciting new video, data and telephone services we can offer our customers, we recognize that broadband development is critical to the continued economic growth of our region and this network will certainly help in that regard'"** (October 6, 2003 Press Release).

> **"JEA is among a growing number of progressive utility companies that recognize broadband development is critical to enhancing economic growth. The broadband network will offer very robust bandwidth technology for all sectors of the economy – for small and large business, prospective and existing industry, healthcare, education and many more as they work to succeed in the 'new information economy'"** (October 6, 2003 Press Release).

Q. How will JEA structure the proposed telecommunications operations?

A. JEA has formed a Telecommunications Division "to achieve organizational and accounting separation" from its other utility divisions (July 10, 2003 Prefiled Testimony of John W. Williams, page 5, line 18). There will be three distinct Business Units within the Telecommunications Division: Cable Television, Internet Access, and Telephone.

Q. How does JEA propose to account for the investment and expenses associated with the Telecommunications Division?

A. Surprisingly, the overwhelming majority of capital expenditures and expenses of the Telecommunications Division will remain with the Cable Television Business Unit. John W. Williams, President and Chief Executive Officer of JEA, explains in his Prefiled Testimony that because of "the unique capabilities of JEA's fiber-based system, nearly all capital expenditures and most operating expenses will fall under JEA's Cable Division of its Telecommunications Division, and JEA's Telephony Division will have minimal capital requirements, other than for its on-going working capital needs" (July 10, 2003 Prefiled Testimony, page 8, line 21).

Q. How will the operations of the Telephone Business Unit function under the organizational structure proposed by JEA?

A. The Telephone Business Unit will have "no fixed assets and no employees directly assigned to it. Operating costs will be allocated to it according to our Cost Allocation Manual, and we expect those allocated costs to be minimal. The main purpose of the telephone business units will be to receive access fee revenue from contract CLEC affiliates and to transfer available cash to the cable unit for bond debt retirement" (Prefiled Testimony of John W. Williams, July 10, 2003, page 5, line 21).

Q. How does the structure and the operations of the Telephone Business Unit, as proposed by JEA management, impact regulatory reporting and consideration of the Application?

A. It is management's position that absolutely no Network investment will be assigned or allocated to the Telephone Business Unit nor will there be any employees directly assigned to it. The scale of such operations suggests that the unit will be but a small part of the overall operations of the Telecommunications Division. If nearly all of the activity of the Telecommunications Division is to be classified to and remain with the Cable Television Business Unit, then one can scarcely accept the Company's claims that the Network will stimulate material economic development. It is doubtful that using the expensive new Network to enhance the delivery of cable television will produce the substantial, region wide economic benefits claimed by management. The Company's rhetoric regarding the Network's ability to promote economic development rings hollow in light of the small role the Telephone Business Unit will play – at least from an accounting perspective.

Q. What other issues are presented by the Company's proposed method to structure and account for the operations of the Telephone Business Unit?

A. It certainly appears that JEA will not assign or allocate any part of the Network investment to the Telephone Business Unit under the proposed accounting policy. Thus, the balance sheet of the Telephone Business Unit will not present any amount for network facilities. Yet the Company's Application requests that the Tennessee Regulatory Authority "grant to JEA the authority, as may be required by law, to provide facilities-based telecommunications services as a carriers' carrier within Madison County, Tennessee" (Application, page 1). There are frequent references in the Application and in the Prefiled Testimony of John W. Williams of how JEA intends to use the Network to offer facilities-based services as a carriers' carrier. But it is difficult to understand how the Telephone Business Unit can be considered as a facilities-based carriers' carrier without owning any facilities or having any employees.

Q. How does JEA's proposal to record the investment in the Network and nearly all operating expenses to the Cable Television Business Unit affect consideration of the sufficiency of the Application?

A. It is my understanding from the Company's filing that the Cable Television Business Unit will reflect nearly all of the investment and expenses associated with the Network and the filing does not disclose any financial, operational, or other information regarding the Cable Television Business Unit and the Internet Access Business Unit. Therefore, there is virtually no meaningful information provided for projected operations of the Telephone Business Unit making it difficult, if not impossible, to evaluate the fundamental financial, managerial and technical capabilities of the Applicant to provide the proposed telecommunications services.

Q. Specifically, how is the Company's Application, as filed, deficient for the purpose of properly evaluating the request to approve JEA as a "facilities-based carriers' carrier"?

A. The TRA is left in a difficult position to adequately evaluate the Company's request. On the one hand, the Telephone Business Unit will appear to function as a structurally separate business unit of the Telecommunications Division – and will be accounted for separately from the other business units of the Division. If this is truly the structure and accounting policy as presented in the Application, then the TRA will find it difficult to approve the Company's request to serve as a facilities-based carriers' carrier when the business segment does not even own any facilities.

On the other hand, JEA may be seeking authority to provide facilities-based services as a carriers' carrier on behalf of the entire Telecommunications Division. If so, then the Application is woefully lacking with respect to the information provided regarding the other business units operating under the umbrella of the Telecommunications Division. In its Application, the Company has only provided limited information on the operations of the Telephone

Business Unit – and none has been provided on the other two business units. In this case, the TRA is forced to base its decision of whether the Company should be approved to operate as a facilities-based carriers' carrier without any relevant data. It should be kept in mind that under the proposed organizational structure and accounting policy, the Telephone Business Unit is completely dependent upon the Cable Television Business Unit – a business unit for which no relevant information has been provided.

In the end, the Application, as presently filed by the Company, effectively minimizes the role of the TRA by shifting nearly all of the operations to a business unit of which the Authority has no jurisdictional oversight – the Cable Television Business Unit.

Q. **What observations, if any, do you have regarding the Telephone Business Unit and the Company's cost allocation procedures?**

A. JEA has developed and submitted a detailed Cost Allocation Manual as Exhibit C in support of the Application. The Telephone Business Unit will not be assigned or allocated any Network investment and only minimal operating expenses under the Company's cost allocation procedures. The lack of any investment and the minimal allocation of expenses would be more plausible if the Telephone Business Unit is intended to be a very small part of the operations of the Telecommunications Division. JEA has promoted the Network as a region wide economic catalyst and projects that it will serve multiple Competitive Local Exchange Carriers ("CLECs") as a facilities-based carriers' carrier. It begs the question why the anticipated volume of usage on the Network for telephony services does not generate any direct or even shared cost of the facilities – at least under the Company's Cost Allocation Manual.

Q. What is the significance of the fact that the Telephone Business Unit will not have any employees?

A. According to the Application, the Telephone Business Unit intends to offer a range of services to its CLEC customers – some of which are labor intensive:

> **"JEA will provide the Network, including the installation and maintenance of subscriber specific infrastructure, such as customer gateways to the Network. Additionally, while the CLEC Customers will not be required to purchase these services from JEA, JEA intends to offer the CLEC Customers the following services:**
> - **billing and customer records management for telephony and data services;**
> - **payment collection at various payment locations of JEA;**
> - **customer sales services and/or locations at various locations of JEA;**
> - **inclusion of the CLEC Customer's services under the JEA brand umbrella, including inclusion in the JEA's general marketing and advertising; and**
> - **customer service and help desk support for end use customers"** (Application, page 5).

One would expect that there would be a need for an increase in the workforce as a result of the extra work activities imposed upon JEA by the Telephone Business Unit and the other two business units of the Telecommunications Division. The Application, however, does not offer any insight into the staffing levels that will be necessary to support the operations of the Telecommunications Division. Exhibit C of the Application, the Cost Allocation Manual, simply explains how the current level of employees' time will be assigned and allocated among all divisions and within the Telecommunications Division. It would be mere speculation to project how successful the existing workforce will be in absorbing the additional responsibilities associated with running a cable television business, an Internet access business, and a telephony business. The current group of employees is already performing the work activities necessary to manage and operate the four utility divisions. The same set of employees will now have to manage their current workload as well as maintain, operate, provide administrative support, and offer support services to third parties on behalf of the Cable Television Business Unit, the Internet Access Business Unit, and the Telephone Business Unit.

Q. What financial information has JEA provided in support of its request to serve as a facilities-based carriers' carrier?

A. JEA submitted pro forma financial statements for the Telephone Business Unit for the first three years of operations. No financial information was provided for the operations of the Cable Television Business Unit and the Internet Access Business Unit.

Q. What documentation has the Company provided to support the financial projections for the Telephone Business Unit?

A. JEA has merely provided a pro forma balance sheet, income statement, and cash flow statement. No documentation was provided in the Application to explain how the amounts in each line item of the financial statements were developed. For instance, Operating Revenues, consisting solely of "access fees for telephone," are projected to grow from approximately $75 thousand in Year 1 to over $2 million by Year 3. No documentation was provided in support of this phenomenal growth. The TRA and other interested parties should have the opportunity to review supporting information in order to assess the reasonableness of market penetration assumptions, the array of services that will generate the revenues, CLEC growth in the service territory, etc.

The lack of documentation also hinders the analysis of the projected operating expenses. The access charges that the Telephone Business Unit will pay to the Cable Television Business Unit are by far the largest operating expense component. The Application does not provide any information as to how the access charges are derived. All one can glean from the income statement is that the access charges represent 30% of operating revenues in Year 1, 40% of operating revenues in Year 2, and 50% of operating revenues in Year 3. The TRA and other interested parties have no idea whether these intradivision transactions are usage based or represent a fixed but escalating percentage of revenues. There is no documentation provided in support of the remaining operating expense line items.

Q. Please explain the substance of the relevant information provided in the pro forma financial statements.

A. In the Application, JEA stated that it would offer a host of other services to its CLEC customers. The Company must be assuming that the acceptance rate for these ancillary services will be zero because there are no revenues for services presented in the pro forma income statement. If JEA believes that CLECs will contract for the support services, then the pro forma operating revenues and operating expenses should reflect these activities.

Q. Do you have any other professional observations or comments regarding the pro forma financial statements of the Telephone Business Unit?

A. As a general comment, it is interesting to note that the Telephone Business Unit is expected to be incredibly profitable. The unit has attractive margins – it will be able to post a return on operating revenues of over 30% within three years. The major expense component, access charges, represent 50% of operating revenues and will be paid to an intradivision business unit – the Cable Television Business Unit. Thus, over 80% of the Telephone Business Unit's revenues will be kept within the Telecommunications Division of JEA. It is a curious business model – a facilities-based carriers' carrier with no network facilities and no employees – but one that is projected to post spectacular returns.

Q. Are there any other cost allocation issues that you deem relevant to the Authority's consideration of this Application?

A. Yes. Collective Exhibit E of the Application includes a commitment letter for a $1 million line of credit and the JEA audited financial statements. The June 30, 2002 and 2001 audited financial statements for the JEA Electric Division include the following note:

> **"As of June 30, 2002, the Electric Division has incurred approximately $380,000 in costs in connection with the eventual development of a telecommunications system and the costs are currently presented in the accompanying financial statements as construction work in process. The Authority plans to transfer the development of the Electric Division to the telecommunications division when such system begins operating. The development costs will be expensed within the Electric Division if the telecommunications division does not begin operating as currently planned"** (Note 8 – Uncertainties, page 23).

JEA should provide detailed documentation as to the nature of the expenditures incurred on behalf of the Telecommunications Division through September 30, 2003. Furthermore, the current balance of the expenditures that is presently being classified on the books of the Electric Division as construction in progress should be reclassified as a loan to the Telecommunications Division. It is not clear that the eventual transfer of the construction in progress balance will result in full reimbursement of the expenditures from the Telecommunications Division.

Absent full reimbursement, the ratepayers of the Electric Division are subsidizing JEA's competitive forays of forming a Telecommunications Division.

Q. Does this conclude your testimony?

A. Yes.

William J Barta
William J. Barta
Principal, Henderson Ridge Consulting

County of Forsyth
State of Georgia

Subscribed and sworn to me this 28 day of October, 2003.

Notary Public

WILLIAM J. BARTA
Principal, Henderson Ridge Consulting, Inc.

EDUCATION

Emory University	M.B.A. (1982)
Marketing and Finance	
The Lindenwood Colleges	B.A. with Honors (1978)
Business Administration and Accounting	

PROFESSIONAL CERTIFICATION
Certified Public Accountant

PROFESSIONAL AFFILIATIONS
American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants

EMPLOYMENT HISTORY

1996 - present	Henderson Ridge Consulting	Principal
1988 - 1995:	J. Kennedy and Associates	Manager
1986 - 1988:	Contel Corporation	Financial Planning Coordinator
1982 - 1986:	AT&T	Financial Analyst and Account Executive
1981	Simmons, U.S.A.	Special Projects Staff (summer internship)
1979 - 1980:	Gould, Inc.	Senior Accountant
1978 - 1979:	SCNO Barge Lines, Inc.	Staff Accountant

REPRESENTATIVE EXPERIENCE

The Telecommunications Act of 1996:
Addressed policy and technical issues in regulatory proceedings initiated in response to the pro-competitive mandates of the 1996 Act. Subject areas include universal service and access charge reform, interim and permanent pricing for local interconnection and unbundled network elements, avoided retail cost studies for resale purposes, evaluation of local number portability cost studies, assessment of Contract Service Arrangements, and mediation of joint use pole disputes.

Management Audits:
Conducted comprehensive and focused management audits of a major electric investor owned utility, a generation and transmission electric cooperative, distribution electric cooperatives, a Bell Operating Company, and independent local exchange carriers.

Merger Evaluations:
Evaluated the administrative and operational synergies projected in a merger between two electric investor owned utilities and the level of savings and operational efficiency to be achieved from the combination of separate subsidiaries within a Bell Regional Holding Company.

Demand Side Management Program Analyses:
Performed a comprehensive review of the assumptions used in the development of proposed Demand Side Management ("DSM") programs and the benefit/cost ratios of implementing proposed DSM programs as determined by standard regulatory tests. Of particular interest was the nonregulated revenue potential resulting from a load management program designed to achieve spinning reserve status by providing real time communications between the residential customer and the operating dispatch center.

Affiliate Transactions Reviews:
Conducted extensive cost allocation studies and transaction audits of a Bell Regional Holding Company's and independent telephone companies' affiliate transactions, the sale of an electric utility's generating facilities to (and subsequent participation in) a joint venture between the utility and three of its largest industrial customers, the integrated sale of an electric utility's mining operation and long-term coal purchase agreement, the provisions under which a nonregulated subsidiary of an electric utility would market the excess telecommunications capacity of a Demand Side Management program, and the potential cross-subsidy of a regulated electric utility's non-regulated telecommunications operations.

Accounting and Finance Investigations:
Performed comprehensive earnings investigations and revenue requirements studies of AT&T, a Bell Operating Company, independent local exchange carriers, electric investor owned utilities, a generation and transmission electric cooperative, and electric distribution cooperatives.

Expert Testimony Appearances

Date	Case No.	Jurisdiction	Company	Subject Matter
July 1989	333-272	Louisiana	South Central Bell Telephone & Telegraph	Realized and projected rates of return.
August 1989	U-17970	Louisiana	AT&T Communications	Earnings investigation, network modernization, and alternative regulation.
October 1989	U-17282	Louisiana	Gulf States Utilities	Operating expense analysis and nonregulated joint venture evaluation.
January 1990	U-17282	Louisiana	Gulf State Utilities	Regulatory treatment of gain on sale of utility property.
July 1991	4004-U	Georgia	GTE Telephone	Network modernization and depreciation represcription.
October 1991	U-17282	Louisiana	Gulf States Utilities	Results of comprehensive management audit.
Dec. 1992	U-17949 Subdocket A	Louisiana	South Central Bell Telephone and Telegraph	Network technology and modernization and construction program evaluation.
Dec. 1992	U-19904	Louisiana	Entergy/Gulf States	Non-fuel O&M merger related synergies.
March 1993	93-01-E1 EFC	Ohio	Ohio Power Company	Accounting and regulatory treatment of the sale of an affiliate's investment.

Expert Testimony Appearances - continued

Date	Case No.	Jurisdiction	Company	Subject Matter
March 1993	U-19994	Louisiana	Entergy/Gulf States	Merger related synergies.
August 1993	U-19972	Louisiana	Ringgold Telephone Company	Earnings investigation, network modernization, and construction program.
October 1993	U-17735	Louisiana	Cajun Electric Power	Earnings investigation.
May 1994	U-20178	Louisiana	Louisiana Power & Light Company	Analysis of Least Cost Integrated Resource Plan and Demand Side Management programs.
October 1994	5258-U	Georgia	Southern Bell Telephone & Telegraph	Price regulation and incentive rate plan review.
June 1995	3905-U	Georgia	Southern Bell Telephone & Telegraph	Rate design and alternative regulation.
June 1996	96-02-002	California	Pacific Bell Telephone & Telegraph	ISDN TSLRIC study evaluation
August 1996	U-22020 (Direct)	Louisiana	BellSouth Telecomm. Inc.	Avoided retail cost study
Sep. 1996	U-22020 (Rebuttal)	Louisiana	BellSouth Telecomm. Inc.	Avoided retail cost study
Oct. 1997	97-01262 (Direct)	Tennessee	BellSouth Telecomm. Inc.	Permanent pricing for local interconnection and UNEs
Oct. 1997	97-01262 (Rebuttal)	Tennessee	BellSouth Telecomm. Inc.	Permanent pricing for local interconnection and UNEs

Expert Testimony Appearances - continued

Nov. 1997	97-00888	Tennessee		Universal service policy issues
Dec. 1997	P-100, Sub 133b	North Carolina		Universal service FLEC models
Dec. 1997	P-100, Sub 133d	North Carolina		Permanent pricing for local interconnection and UNEs
Jan. 1998	P-100, Sub 133b (Rebuttal)	North Carolina		Universal service FLEC models
Mar. 1998	P-100, Sub 133d (Rebuttal)	North Carolina		Permanent pricing for local interconnection and UNEs
Mar. 1998	P-100, Sub 133g	North Carolina		Universal service policy issues
Mar. 1998	97-07488 (Direct)	Tennessee	Electric Power Board of Chattanooga	Affiliate transactions
Aug. 1998	980696-TP (Direct)	Florida		Universal service FLEC models
Sep. 1998	980696-TP (Rebuttal)	Florida		Universal service FLEC models
Sep. 1998	U-22252, Subdocket D (Initial)	Louisiana		Avoided retail cost study for CSAs/SBAs
Sep. 1998	97-07488 (Rebuttal)	Tennessee	Electric Power Board of Chattanooga	Affiliate transactions

Expert Testimony Appearances - continued

Sep. 1998	U-22252 Subdocket D (Final)	Louisiana	BellSouth	Avoided retail cost study for CSAs/SBAs
July 1999	10288-U	Georgia	Accucomm Telecomm, Inc.	Compliance audit results and affiliate transactions
August 1999	990649-TP	Florida (Direct)		Unbundled network element policy issues
Sep. 1999	990649-TP	Florida (Rebuttal)		Unbundled network element policy issues
March 2000	99-00909	Tennessee (Direct)	Memphis Light, Gas & Water	Affiliate transactions
March 2000	U-24714	Louisiana (Direct)	BellSouth	Interim, deaveraged rates for unbundled network elements
June 2000	990649-TP	Florida (Direct)		Unbundled network element technical issues
July 2000	990649-TP	Florida (Rebuttal)		Unbundled network element technical issues
August 2000	P-100, Sub 133d	North Carolina		Unbundled network element policy and technical issues
August 2000	990649-TP	Florida (Supplemental Rebuttal)		Unbundled network element technical issues
Nov 2000	00-00523	Tennessee (Direct)		Rural universal service policy and technical issues
Nov 2000	00-00523	Tennessee (Rebuttal)		Rural universal service policy and technical issues

<u>Expert Testimony Appearances – continued</u>

Dec 2000	99-11035	Nevada (Direct)		Collocation rates
March 2001	99-00909	Tennessee (Rebuttal)	Memphis Light, Gas & Water	Affiliate transactions
April 2001	99-11035	Nevada (Supplemental)		Collocation rates
March 2002	000075-TP	Florida (Direct)	Generic	Default intercarrier compensation mechanism
March 2002	000075-TP	Florida (Rebuttal)	Generic	Default intercarrier compensation mechanism
May 2002	15304-U	Georgia (Direct)	Chickamauga Telephone Corporation	Affiliate transactions and earnings review
Nov 2002	P-7, Sub 825 P-10, Sub 479 P-19, Sub 277 P-55, Sub 1013	North Carolina		Price regulation plans for Sprint, Verizon, and BellSouth
January 2003	97-239-C	South Carolina		Universal service support for rural ILECs
May 2003	U-26845	Louisiana	Dixie EMC	Earnings investigation

Press Releases

October 6, 2003 - Jackson Energy and Wave7 Optics to Undertake the Largest "Fiber-to-the-Premises" Network Deployment in North America

Wave7 Receives Initial Purchase Order of $15M to Deliver "Ultra High Speed" Last Mile Link® Optical Broadband Equipment Through 2004

NEW ORLEANS -- October 6, 2003 -- The Jackson Energy Authority (JEA) of Jackson, Tennessee, an electric, gas, water, and wastewater utility company, along with Wave7 Optics are teaming to build the largest "fiber-to-the-premises" (FTTP) network in North America to date. Upon its anticipated completion in 2005, the network will "pass" 31,000 homes and businesses in JEA's electric service area. The two companies made the announcement here at the 2003 Fiber-to-the-Home Conference and Expo, the FTTP industry's largest event. Wave7 Optics is exhibiting in booth 170 at the Hilton Riverside Hotel conference center.

Wave7 is scheduled to begin delivering network equipment in December 2003 and JEA anticipates it will initiate deployment in 1Q 2004. JEA expects to begin connecting customers to its new service, which will include over 250 analog and digital cable television channels, ultra high-speed (up to 500 Mbps) two-way business and residential Internet connections, and full feature POTS and IP telephony (as a carrier's carrier for local CLECs), as early as the second quarter in 2004.

"We are excited about rolling out the most advanced network anywhere in the U.S. – and maybe the world," said Kim Kersey, Senior Vice-President of Telecommunications. "In addition to the exciting new video, data and telephone services we can offer our customers, we recognize that broadband development is critical to the continued economic growth of our region and this network will certainly help in that regard."

"We've been working with JEA for close to a year as part of the planning process and we're delighted to get started with the project and to build upon our leadership position in the market," said Tom Tighe, CEO of Wave7 Optics.

"Jackson Energy Authority and Wave7 Optics are engaging in the largest FTTP deployment with secured financing in North America to date. Deployments of this scale are a clear indicator that FTTP is mainstream today," said Danny Briere, CEO of TeleChoice, a telecom analyst firm that tracks the FTTP industry closely.

The LML provides up to 300 times more capacity than competing broadband systems, such as DSL or cable modem, at the same or lower installation cost. Because of the inherent high-bandwidth capabilities of fiber optics and Wave7's unique architectural cost advantages, Jackson Energy can provide each of their residential customers access speeds from 64 kbps up to 100 Mbps "symmetrical" service, unlike typical "asymmetrical" services where download speeds far exceed "upload" speeds. Commercial customer high-speed bandwidth applications can range up to much greater speeds, potentially to Wave 7 Optics' 500 Mbps capability.

Furthermore, the LML uses standard data, telephone and CATV interfaces at its customer premise devices accommodating existing home and business telephone, television and computer systems, meaning customers do not have to buy new equipment to get on the new network.

The LML is an IP (Internet protocol) and Ethernet standards-based advanced optical access system that provides all traditional "carrier-grade" telephone services (including fax), high-speed data (e.g., Internet service) and both analog and digital video (including IP streaming video). Featuring industry-leading privacy and security encryption techniques and industry-leading "quality of service" mechanisms designed for business applications, the LML overcomes the high-fiber counts, limited distance range and high "central office" equipment costs that have stymied the growth of FTTx systems.

About Jackson Energy

Jackson Energy Authority currently provides water, wastewater, natural gas, propane, and electricity to more than 38,000 businesses and industry in Jackson and Madison County.

JEA is among a growing number of progressive utility companies that recognize broadband development is critical to enhancing economic growth. The broadband network will offer very robust bandwidth technology for all sectors of the economy-for small and large business, prospective and existing industry, healthcare, education and many more as they work to succeed in the "new information economy".

Emphasizing exceptional customer service, JEA offers one-stop service for all customers' service needs with a live representative answering the phone in an average of 5 seconds. JEA is also one of few utility companies in the nation to offer service guarantees. This along with other pertinent information about Jackson Energy Authority can be found on the web at www.jaxenergy.com.

About Wave7 Optics

Wave7 Optics, Inc. is a market leader in the fiber-to-the-home and -business (FTTX) optical access market. The company's Last Mile Link® optical access system effectively overcomes the cost and implementation barriers that have to date stymied the deployment of FTTX/FTTP systems.

Wave7 Optics has pioneered the first intelligent PON (passive optical network) system, which is effectively a generation ahead of comparable PON technologies in both cost and capability. For instance, the "OLT" (optical line terminal) equivalent can be deployed either in the field or central office and the Last Mile Link uses lower cost IP- (Internet Protocol) and Ethernet-standards based components to provide a "triple play" of voice, video and very high-speed data services to residential, business and multi-tenant or multi-dwelling building customers. The Last Mile Link offers service providers a particular advantage with regards to video in that it is the only platform that supports upstream RF return signals and readily accommodates HDTV.

The company has been named a "Hot Start Up" company for 2003 by two of the world's leading trade journals -- America's Network and Telecommunications.

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[back]