

DIRECT TESTIMONY
OF
JANIS FREETLY
FINANCIAL ANALYST

FINANCE DEPARTMENT
FINANCIAL ANALYSIS DIVISION
ILLINOIS COMMERCE COMMISSION

ILLINOIS CONSOLIDATED TELEPHONE COMPANY
APPLICATION FOR APPROVAL OF REORGANIZATION
DOCKET NO. 00-0641

DECEMBER 15, 2000

1 **Q. Please state your name and business address.**

2 A. My name is Janis Freetly. My business address is 527 East Capitol Avenue,
3 Springfield, Illinois 62701.

4 **Q. What is your current position with the Illinois Commerce Commission**
5 **(“Commission”)?**

6 A. I am currently employed as a Financial Analyst in the Finance Department of the
7 Financial Analysis Division.

8 **Q. Please describe your qualifications and background.**

9 A. In May of 1995, I earned a Bachelor of Business degree in Marketing from Western
10 Illinois University. I received a Master of Business Administration degree, with a
11 concentration in Finance, from Western Illinois University in May of 1998. I have
12 been employed by the Commission in my present position since September of
13 1998.

14 **Q. What is the purpose of your testimony in this proceeding?**

15 A. The purpose of my testimony is to present my evaluation of the proposed
16 reorganization of Illinois Consolidated Telephone Company (ICTC) under Section 7-
17 204 (b)(4) of the Public Utilities Act. My evaluation will focus on the financial
18 implications of the proposed merger on ICTC’s ability to access the capital markets
19 on reasonable terms.

20

21 **Q. Why is it necessary to evaluate the financial implications of the proposed**
22 **merger?**

23 A. Under Section 7-204 (b)(4) of the Public Utilities Act, the Commission must find that
24 “the proposed reorganization will not significantly impair the utility’s ability to raise
25 necessary capital on reasonable terms or to maintain a reasonable capital
26 structure.”

27 **Q. Will the proposed reorganization impair ICTC’s ability to obtain long-term**
28 **debt and equity capital on reasonable terms or to maintain a reasonable**
29 **capital structure?**

30 A. According to ICTC’s responses to Staff Data Requests JF-1.1 through JF-1.3, and
31 the prepared testimony of Edward B. Pence,¹ McLeodUSA is currently responsible
32 for raising debt and equity capital on behalf of ICTC and will continue to maintain
33 that responsibility upon completion of the reorganization proposed in this Docket. In
34 addition, ICTC’s capital structure will not be altered by the proposed
35 reorganization.² Therefore, the proposed reorganization will not impact ICTC’s
36 ability to obtain long-term debt and equity capital on reasonable terms or to
37 maintain a reasonable capital structure.

38 **Q. Does this conclude your direct testimony?**

39 A. Yes, it does.

¹ ICTC Exhibit 1.0, Prepared Testimony of Edward B. Pence, Question and Answer 21, page 9.

² Ibid; Docket 00-0641, ICTC’s Application for Approval of a Reorganization Pursuant to Section 7-204 of the Public Utilities Act, p. 3.