STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission On Its Own Motion –vs- Norlight, Inc. d/b/a Cinergy Communications: Investigation into whether Intrastate Access Charges of Norlight, Inc. d/b/a Cinergy Communications are just and reasonable	))))))))))	Docket No. 09-0317

VERIFIED STATEMENT OF JEFFREY H. HOAGG

My name is Jeffrey H. Hoagg. I am employed by the Illinois Commerce Commission as Principal Policy Advisor in the Telecommunications Division.

The purpose of this Verified statement is to provide Staff's assessment of the revised tariffs filed by Respondent Norlight, Inc. d/b/a Cinergy Communications (Norlight) on or about August 24, 2009, and more specifically to provide Staff's assessment of whether the revised intrastate access rates contained in such tariffs are just and reasonable.

SUMMARY OF PROCEEDINGS TO DATE

On July 8, 2009, the Commission issued an order initiating this proceeding for the stated purpose of: "determin[ing] whether rates charged by Norlight, Inc. d/b/a Cinergy Communications for intrastate access are just and reasonable[,]" within the meaning of section 9-250 of the Public Utilities Act. Initiating Order at 2, Finding (6). In its Initiating Order, the Commission directed Norlight to: "appear … and present evidence as to why the rates charged by [Norilght] for intrastate access are just and

reasonable." Id., Ordering Paragraph (2). The Commission's stated basis for requiring Norlight to make such a showing was the fact, as set forth in a Staff Report dated June 26, 2009, that Norlight charged at least 4 cents per minute on an average blended or composite rate basis. Id. at 1.

On August 27, 2009, the Administrative Law Judge (ALJ) assigned to the proceeding convened a status hearing in the matter, in the course of which counsel for Norlight represented for the record that the company had filed tariffs reducing its intrastate access rates to those charged by the Illinois Bell Telephone Company (AT&T), an incumbent local exchange carrier (ILEC) that serves much of the state. Tr. at 8.

STAFF POSITION

I have reviewed the revisions to the tariffs filed by Norlight, and the rates for intrastate access contained in such tariffs. The revisions in question are to Norlight's Ill. C.C. Tariff No. 4. Specifically, Norlight has filed 3rd Revised Sheet 2, cancelling 2nd Revised Sheet 2; 2nd Revision Sheet 50; and 2nd Revision Sheet 51. I have attached the revised tariff pages to this Verified Statement as Schedule JHH-1.

The revised tariff sheet directly relevant to this proceeding is 2nd Revision Sheet 50. This sheet contains the revised rates for intrastate access and related services that Norlight intends to charge on a going forward basis. These rates directly mirror, and are identical to, the rates for identical services charged by AT&T.

The fact that these rates mirror AT&T's rates is significant, because the Commission has previously found AT&T's rates for these services to be just and

reasonable in contested proceedings. *See Order*, Illinois Commerce Commission On Its Own Motion vs. Illinois Bell Telephone Company; et al., Investigation into Non-Cost Based Access Charge Rate Elements in the Intrastate Access Charges of Incumbent Local Exchange Carriers in Illinois; Illinois Commerce Commission On Its Own Motion, Investigation into Implicit Universal Service Subsidies in Intrastate Access Charges and to Investigate how these Subsidies should be Treated in the Future; Illinois Commerce Commission On Its Own Motion, Investigation into the Reasonableness of the LS2 Rate of Illinois Bell Telephone Company, ICC Docket Nos. 97-0601; 97-0602; 97-0516 (Consolidated); 2000 Ill. PUC Lexis 1004 (March 29, 2000) (hereafter "ICC Access Charge Order") (setting cost-based access charge rates for AT&T).

It is my opinion that the Commission can safely conclude that the intrastate access rates charged by Norlight as established in its revised tariffs are just and reasonable within the meaning of Section 9-250 of the Illinois Public Utilities Act, insofar as such rates mirror those already found to be just and reasonable. Accordingly, it is also my opinion that the investigation which is the purpose of this proceeding no longer need be pursued. I recommend that the Commission dismiss the proceeding without prejudice.

In summary, and for the reasons stated above, the Staff recommends that the Commission dismiss the proceeding without prejudice.

This concludes my Verified Statement in this matter.

VERIFICATION

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

I, Jeffrey H. Hoagg, do on oath depose and state that I am competent to testify, and that, if called as a witness herein, I would testify that the facts contained in the foregoing Verified Statement are true and correct, based upon personal knowledge.

Jeffrey H. Hoagg

Signed and Sworn Before Me This 29th Day of September, 2009

Notary Public

OFFICIAL SEAL
LISA BOWMAN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 12-9-2011