STATE OF NEW HAMPSHIRE

BEFORE THE

PUBLIC UTILITIES COMMISSION

DT 10-025

Request for Approvals in Connection with the
Reorganization Plan of FairPoint Communications, Inc., et al.

PREFILED TESTIMONY OF
THOMAS P. NOLTING
ON BEHALF OF FAIRPOINT COMMUNICATIONS, INC.

FEBRUARY 24, 2010

SUMMARY OF PREFILED TESTIMONY OF TOM P. NOLTING

Mr. Nolting's testimony discusses FairPoint's actions and plans to identify and correct data inconsistencies in FairPoint's network and systems, arising largely as a result of the cutover to new FairPoint systems from Verizon systems earlier this year. The testimony describes the recently-completed Switch-to-Bill Audit and its positive benefits for the company and customers. Mr. Nolting also describes a recent initiative by FairPoint's Revenue Assurance team, with the help of an outside consultant, to identify and synchronize inconsistent data across various FairPoint systems.

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Mr. Nolting sponsors the following exhibits:

Exhibit TPN-1	Resume of Thomas P. Nolting

Q. State your name and business title.

A. My name is Thomas P. Nolting and I am Vice President of Billing and Revenue Assurance for FairPoint Communications, Inc. ("FairPoint"). My office is located in South Burlington, Vermont.

Q. What are your current responsibilities at FairPoint?

A. In September 2009, I was promoted to the position of Vice President of Billing and Revenue Assurance. In my previous role as FairPoint's Director of Revenue Assurance, I was responsible for identifying billing issues and making corrections to insure more accurate billing for both retail and wholesale customers. I also had bill dispute and collections responsibilities for wholesale customers. In my new role, I have continued with my previous responsibilities and have added the leadership of the billing teams. Thus, my primary responsibilities include oversight of an organization responsible for billing approximately $86 million on a monthly basis for 1.32 million retail and 5,400 wholesale customer billing accounts between the Kenan and Communications Data Group ("CDG") billing systems in FairPoint's Northern New England operations. I have also been responsible, and will continue to be responsible, for the development and oversight of several revenue assurance initiatives, including the recently completed Vermont Switch-to-Bill Audit and the data reconciliation initiatives currently being undertaken by the company in the three Northern New England states.

Q. Please describe your background and qualifications.

1 A. I have been working in the telecommunications industry for 24 years. I started my career
2 at New England Telephone, where I managed technical support and large network
3 operations centers. I left in 2000 as Director of Wholesale Billing Operations. Over the
4 past nine years I have held executive level positions at Lavastorm Technologies and
5 Vertek Corporation leading teams in the delivery of software and consulting services for
6 telecommunication companies to better manage billing and back-end systems. I joined
7 FairPoint as a consultant in November of 2008, and was hired as the Director of Revenue
8 Assurance and Wholesale Collections in April of 2009. I hold nine United States patents
9 related to systems and software programs for monitoring, compiling, and analyzing
10 traffic on the telephone network. My resume is attached as Exhibit TPN-1.
11
12 **Q. What is the purpose of your testimony?**
13 A. In my testimony, I will discuss the actions taken and plans adopted by FairPoint's
14 management to identify and correct data inconsistencies in FairPoint's network and
15 systems, arising largely as a result of the cutover to new FairPoint systems from Verizon
16 systems earlier this year. These data inconsistencies can affect customer billing and other
17 system operations. I will describe the Switch-to-Bill Audit and its positive benefits for
18 the company and customers. I will also describe a recent initiative by our Revenue
19 Assurance team, with the help of an outside consultant, to identify and synchronize
20 inconsistent data across various FairPoint systems. I will not discuss the current
21 initiatives to reduce billing errors for retail, business and wholesale customers on a short
22 and intermediate term basis, a subject that has been covered in the prefiled testimony of

1 Mr. Allen. The issue of billing is also covered in the testimony of Ms. Weatherwax, as
2 billing is one of the areas included in the CDIP Program, which focuses on long-term
3 system and process improvements. I will discuss how we expect the CDIP Program's
4 work to relate to and impact the work that the Revenue Assurance team is currently
5 doing.
6
7 **Q. Could you describe in greater detail the purpose and objectives of FairPoint's**
8 **Revenue Assurance team?**
9 A. Yes. The Revenue Assurance team was created as a new team this year to define and
10 deliver methods and a process to pro-actively manage a robust revenue assurance
11 discipline within the company. Four Revenue Assurance Senior Specialists, each with in-
12 depth billing domain knowledge and strong analytical skills, were recruited and hired to
13 staff the initial Revenue Assurance team in the last few months. They join and are now
14 working closely with 2 contractors, formerly with Verizon, who have extensive
15 experience within Verizon in various areas including carrier access billing, network
16 switching, expense control and usage billing. The Senior Specialists are aligned and
17 focused on the billing processes for residential retail, large business, wholesale reseller,
18 and wholesale access services. The team's goals are as follows:
19 • Improve bill quality and accuracy
20 • Reduce operating expense
21 • Maximize cash flow
22 • Decrease claims on charges; and

1 • Increase stakeholder confidence.

2 The team's focus will evolve to address systemic conditions impacting the accuracy and
3 completeness of customer billing. In the short term, the team will perform reconciliation
4 of existing billing errors and system discrepancies affecting bill quality. Within a year,
5 the objective is to develop the capability to perform real-time analytics (timely and
6 transparent validations) and persistent review of the order-to-provisioning-to-billing
7 process, focusing on the prevention of billing errors. A key component of the
8 organization is to be able to address new issues spontaneously, and to be prepared to
9 provide rapid response to new information or changing circumstances.

10

11 **Q. Ms. Weatherwax discusses the CDIP Program in her testimony. How does the work**
12 **that will be, or is being, done as part of the CDIP Program complement the work**
13 **that you describe here?**

14 A. The CDIP Program's efforts build on, are complementary to, and in some cases
15 incorporate the work that I describe here. For example, the investments, work products
16 and knowledge acquired in the creation of our Revenue Assurance auditing program in
17 the fourth quarter of 2009 are being effectively transferred to and put to use within CDIP
18 Program's Cross System Data Synchronization initiative. We chose the Martin Dawes
19 Analytics software, the same applications deployed for FairPoint's Revenue Assurance
20 support, as our core tool set for the Cross System Data Synchronization initiative. As
21 such, we are starting work on the CDIP projects with a baseline of developed and
22 functioning validation programs between our switching network and billing, as just one

example. Moreover, we have much work already performed defining the functional and technical specifications to understand out-of-synch conditions between our core operations support systems, network, and billing that can be applied to the CDIP Program.

Q. FairPoint has in the past reported billing adjustments of 2.9% to 4% of billed revenue and a significant number of complaints received deal with billing errors. Before you explain how FairPoint is resolving billing issues, please address how FairPoint can be certain that the measurement of "known billing errors" accurately reflects the number of errors in bills?

A. In an industry as dynamic as ours, the potential for new types of billing errors always exists, but we believe that our identification of "known billing errors" is a reasonably accurate representation of FairPoint's bill accuracy because this measure includes errors reported by customers and, to much greater extent, errors detected through our internal bill review and systemic audit programs. To be more specific, while a portion of the reported "known billing errors" comes from our bill review and audit programs, the reported figure will also include errors that are reported by our customers (and where the error is one that impacts a number of consumers, the entire class of affected customers will be included, whether other customers called to report the error or not), as well as any existing defects that await system fixes.

1 To be more specific, and as explained by Mr. Allen, a dedicated team performs a "Bill
2 Review" on a statistically valid sample of all customer account types on every monthly
3 bill cycle. As part of the review, billing analysts inspect the display of information on the
4 customer invoices and conduct detailed verification of all recurring, non-recurring and
5 usage charges, surcharges, rates and fees. Errors in overbilling or under-billing, or in the
6 presentation of charges, are all recorded, investigated, and correlated to either existing
7 bill defects, or established as a new bill incident. Each new bill incident is analyzed to
8 determine whether the incident impacts a single account or is a system defect, and
9 therefore impacts more than a single account and potentially requires a system fix or
10 system enhancement to be developed.
11
12 In addition, FairPoint's newly deployed "switch to bill" and rules-based bill audits using
13 MDA software are operating regularly across a much larger scale of customer accounts.
14 These automated routines detect system discrepancies and bill errors that are also
15 correlated to known bill defects, or identified as new system defects requiring
16 remediation. During the development of system defect fixes, constructed queries are run
17 to identify all customer accounts impacted by each open system defect. Until the system
18 defect solution is deployed and passes final production acceptance testing, the associated
19 customer accounts impacted by the under-billing, overbilling, or display error are also
20 included in the measure for the total number of "accounts in known error" and in the
21 corresponding statistic. Importantly, some of the errors that we have detected through
22 FairPoint's audits and bill reviews (and reported in the accounts in known error) are

errors that existed prior to system cutover. For example, our validations of tariff pricing have uncovered rate inaccuracies on customer accounts that existed even prior to the merger. The corrections to these have added to the figures that FairPoint reports for numbers of adjustments and accounts in error.

In summary, our tracking of known bill errors includes all error types, all impacted customer accounts, and errors found predominantly through our own validations. Accordingly, we believe that our reporting of bill errors and accounts in known error accurately states the quality of our customer invoicing. Moreover, our bill reviews and expanding systemic audits provide a much more robust, proactive approach for identifying, diagnosing, and categorizing billing errors to be resolved.

Q. Please address the increase in Known Billing Errors from 1.5% in the fourth quarter to 5.4% in January.

A. As I've explained, the "Known Billing Errors" measure includes errors reported by customers and to much greater extent errors found from our internal Bill Review and systemic audit programs. At the end of 2009, the billing teams were able to extend our review and audit programs—by using some of the tools I discussed above—to perform larger-scale, more rigorous detection of incidents in overbilling, under-billing, or in the presentation of customer charges generated from the Kenan billing system. The result of this was an increase in the volume of identified known billing errors.

1 Additionally, a portion of the errors were diagnosed to be system defects, affecting more
2 than the single customer account and thus required a software fix or system enhancement
3 to be developed and deployed. Also, a few individual defects that were uncovered
4 happened to impact a larger number of customer accounts. As the system corrections for
5 these defects were deployed in January and continue through February and March,
6 FairPoint reporting of impacted accounts contained in the "Known Billing Error"
7 percentage will periodically rise. As noted above, our report of errors detected through
8 our review and audit programs will include errors that existed prior to cutover.
9
10 **Q. On February 23, 2010, FairPoint filed a Form 8-K with the United States Securities**
11 **and Exchange Commission that reported certain billing adjustment information**
12 **transfer deficiencies between FairPoint's billing platform and the general ledger.**
13 **How does this recent development affect your testimony, particularly in regard to**
14 **the billing error percentages you have referenced?**
15 A. It is difficult to finalize an answer to this question until FairPoint completes its analysis
16 of the information transfer deficiencies reported in the Form 8-K. However, I should
17 reiterate that the audit process I have described is a continuing process subject to revision
18 based on our experience and our findings. To the extent that our continued analysis of
19 the deficiencies reported in the Form 8-K reveals the need to revise the information I
20 have presented, we will supplement our testimony accordingly. I should also emphasize
21 that, as Mr. Giammarino states in his testimony, FairPoint does not expect that the error

and the adjustments reported in the Form 8-K will have a significant impact on customer accounts.

Q. Billing errors and customer complaints concerning billing errors have been a significant source of concern since the cutover from Verizon systems earlier in 2009. What strategies are FairPoint using to address the core issues?

A. Clearly, there have been billing errors and perceptions of billing errors since the cutover from Verizon systems. In addressing this situation, it is imperative to get beyond generalities and opinions and focus on the distillation of relevant facts through data gathering and detailed analysis. Thus, FairPoint's management has taken a strategic approach and is utilizing the following important elements in the development of long-term solutions in this area:

- Selection of a technology that is flexible and dynamic for complex data analysis and defect identification;
- Deployment of the means to access key data sources;
- Cultivation of subject matter expertise in product, pricing, billing, inventory, ordering and switching, augmented with access to system and subject matter experts;
- Establishment of an operations environment of continuous improvement;
- Building of insights into root cause analysis;
- Creation of a conduit for remediation; and

- Scaling and integration of audits into the back-office to be run automatically or on-demand for persistent oversight.

Q. How are you incorporating these elements into a forward-looking plan?

A. The first step was to organize a team with the necessary professional skills and preparation, and put the necessary tools in their hands. The team has been given ease of access to the core back-office billing, inventory, ordering and network systems. The next step was for management to scope and prioritize the objectives and define audits to cover specific assurance checks regarding accuracy, completeness and conformity for a specific issue, process, product and/or service. Each audit should consist of the following steps:

- Define and prioritize key areas for analysis and monitoring;
- Ascertain the data necessary to analyze the problem;
- Conduct configuration sessions with subject matter experts;
- Build/expand the knowledge base with each configuration session, incorporating newly learned information, incrementally delivering value while generating results and providing clear documentation of the steps taken to do so;
- Allow the dynamic nature of the work to let the data lead the team in directions that may not have been previously considered;
- Determine repair type

- Unique repairs consist of defect data sets that require a one-on-one review for correction, for example, a line is found working in the switch but does not exist in any other system;
- Bulk repairs consist of data defects that can be corrected via data feeds (for example, rating errors and discount overrides). Once business rules have been established, tested and approved, identified defects can be universally remediated;
- Capitalize on the quick time to recovery and defect remediation;
- Increase initial audits in scale and mature them into persistent processes and controls;
- Establish pathways to the various systems and their support teams for process improvement; and
- Expand to the next product, service and/or process issue.

Q. Please describe the Switch-to-Bill Audit that FairPoint completed in Vermont.

A. FairPoint has completed a Switch-to-Bill audit in Vermont, as required by the Certificate of Public Good issued to FairPoint in Docket No. 7270. FairPoint is looking at this audit as a form of prototype for additional audit processes in the future.

The Switch-to-Bill Audit consisted of a review of the Vermont telephone numbers ("TN's") served by the eight 5ESS switch centers located in Vermont and an assessment of the match rate of retail telephone number records found in the switch with those found

in the billing system. The process of developing a reconciliation of this magnitude included the following steps:

- Acquiring data from the switches involved;
- Understanding the switch translations and what data is included in the switch dump;
- Determining the relationships between the switch and billing data;
- Reformatting the data, as needed, to make possible a match between the systems;
- Coding the business rules to define how to match the data;
- Acquiring additional core system data (order management, provisioning, etc.) for use in determining possible failure points for lines in the switch not found in billing; and
- Generating results, analyzing results, and refining the process as necessary.

Data from the eight switches was collected, filtered and associated with the billing system, Kenan. Those telephone numbers not found in Kenan were flagged as numbers with potential discrepancies. Those numbers were compared with the inventory system, MetaSolv, and the ordering system, Siebel, and discrepancies were identified. The results were analyzed, relationships were uncovered, additional business rules were defined and the process was reiterated.

Q. Could you provide the results of the Switch-to-Bill Audit?

A. Yes. The following table summarizes the results across the Northern New England States we obtained:

Percentage of NNE Switches Analyzed		100.0%
Total Telephone Number Population Analyzed	921,538	
Lines Found in billing system	908,448	98.6%
Lines Not Found in billing system	**13,090**	1.4%
Of **13,090** lines not found in the billing system:		
Found in switch, provisioning and ordering systems	**1,894**	14.5%
Found in switch and provisioning not found in ordering system	**11,141**	85.1%
Found in switch only	**55**	0.01%
	13,090	100.0%

The data indicates that the relationship between the switch and the billing system is sound with an overall error rate of approximately 1.4%, which is within industry norms. The audit has been expanded to test for over-billing of retail lines found in the switch, a so-called Switch-to-Bill-to-Tariff Audit.

In the Vermont Switch-to-Bill-to-Tariff audit 196 access line USOC codes were identified and a maximum rate was associated with each. September invoices for the TN's identified in the Switch-to-Bill audit were queried for the 196 access line USOC codes. Of the initial 220,000 TN's reviewed in the Switch-to-Bill Audit, approximately 199,000 TN's were found to have a September invoice and at least one occurrence of the 196 indentified access line USOC codes. The remaining TN's either did not have one of the identified access line USOC codes or did not have a September invoice. Some TN's

1 had multiple occurrences of the access line USOC codes. High level statistics are as
2 follows:

Vermont Switch-to-Bill-to-Tariff Audit	***Count***	***Percent to Total***
Switch-to-Bill Universe of TN's	221,585	
Switch-to-Bill-to-Tariff Universe of TN's	198,959	90%
Access Line USOCs Queried	196	
Access Line USOCs Found	143	
Instances of Access Line USOCs Found	256,526	
Discrepancies/ Discrepancies per TN Analyzed	537	.27%
ISDN	493	
$0 Maximum Rate	28	
All Other	16	

3
4 This is an over-billing access line error rate of less than 1%. Of these 537 instances, 44
5 required further examination. Twenty-eight had a maximum rate of $0; these were found
6 to have been billed correctly as they were part of packages and the billing price of $0 was
7 correct because the package price was the controlling amount billed. Sixteen had minor
8 rate differences amounting to a total of $63 per month. Of these, all but one (which had
9 an outstanding disconnect order) were found to be governed by contract agreements. The

remaining 493 are ISDN errors and research showed them to be individual case basis ("ICB") rates for non-tariffed contract ISDN service.

Q. What process will FairPoint follow to remedy defects that have been discovered and will be discovered through the Switch-to-Bill-to-Tariff Audit?

A. The first step in the remediation process is to systemically correlate and categorize dispositions of the identified defects. For example, one disposition category may be determined after analysis of select field values from the associated service order history to be "incomplete change order activity." Another disposition may be the customer service instance has an invalid product code. This mechanized grouping of defects into much smaller volumes of disposition categories, with common root causes and/or actions to correct, enables for a much more manageable, efficient remediation into the existing operational groups. In some cases, fixes can be performed in bulk when the defects or fallout incidents all have been dispositions with the exact same needed corrective action, such as the replacement of an old, invalid product code with a correct, updated product code. In the Switch-to-Bill-to-Tariff audit the exceptions will be manually reviewed.

Q. Has the Revenue Assurance team operated under a schedule to complete the projects for which it is responsible?

A. Yes. You will see that we have completed many of the major milestones for the Revenue Assurance team's work in the three states as listed in the following table:

Description	Completion Date
Revenue Assurance Needs Assessment	**3/09**
RFP Process Completed and Martin Dawes Analytics Selected	**4/09**
Revenue Assurance Pilot Project with MDA o **FRP data sets delivered and MDA hosted platform configured** o **S2B, retail and wholesale billing audits tested and developed** o **Pilot findings delivered and execution on "Quick Hits"**	**4/22/09 – 6/30/09**
Business case presented and approved	**7/09**
Planning and development of bill reconciliation / recovery	**On-going**
Execution of MDA contract and implementation SOW	**8/09**
Completion of organization staffing request process	**9/09**
Begin bill reconciliations from RA audit results	**9/09**
Hiring of first of 4 new Revenue Assurance Senior Specialists	**10/09**
Begin collaboration with IT on system synchronization	**10/09**
Refined Switch-to-Bill results	**10/09**
Purchase of hardware dedicated to revenue assurance audits	**10/09**
Expand Switch-to-Bill audit to Switch-to-Bill-to-Tariff	**11/09**
Installation of dedicated hardware (complete as of 12/2/09)	**1/10**
S2B audit installed and operational in back-office (targeted)	**1st Q 2010**

Q. You mentioned at the outset that your team is also responsible for FairPoint's data synchronization initiative. Could you explain what that initiative involves?

A. One of FairPoint's significant back-office systems issues in the post-cutover period has been the issue of lack of data synchronization within the primary systems that FairPoint uses to deliver services to its customers. The lack of data synchronization between systems can contribute and has contributed to persistent billing error issues, order "fall-out" and delays in provisioning, among other issues.

The goal of FairPoint's data synchronization initiative is to develop systems solutions so that FairPoint will be able to perform timely and transparent data validations, thereby enhancing the company's ability to meet or exceed its operational standards. This objective would be accomplished in two ways: 1) by developing the ability to conduct persistent comparisons of data in key areas of our inter-related systems; and 2) by developing the ability to make a spontaneous and rapid response to new information or changing circumstances. Better synchronization and improved integrity of data between systems often will have a direct affect on the quality of the service delivered and the accuracy of the bills. Something as simple as maintaining correct, consistent identification of a customer's address between systems can eliminate or alleviate certain billing or provisioning issues. If a customer is moving service from one location to another and possibly wants to keep a separate billing address, it is vital for these three addresses be synchronized and accurately labeled between order management, inventory, provisioning and billing.

FairPoint engaged MDA in August 2009. MDA has extensive experience solving data consistency problems for companies such as Telstra (system consolidation), Comcast (managing acquisition and customer consolidation), Windstream Communications (analyzing complex rural operations) and CenturyTel (same). MDA has developed proprietary hardware and software that will allow the team to extract, translate and load large quantities of disparate data, compare and contrast variables, and isolate inconsistencies. New business rules can be incorporated or modified as relationships

present themselves. Analysts and subject-matter-experts are able to define rules and operate on live data sets capitalizing on spontaneous insights.

Q. Have you developed a task list in connection with the data synchronization project?

A. Yes, and this list has been incorporated into the approach being followed by the CDIP Program's Cross System Synchronization project (across the three states). Our strategy for this larger project is to break down the end-to-end, Order-to-Bill process to the core interfacing systems, identifying and monitoring out the synchronization of field values shared or dependant in these databases. Sets of audits are being developed to perform detailed comparisons and validate the embedded base of assets, service assignments and customers between these adjacent systems. Out-of-synch conditions will be identified and grouped by data discrepancy type and correlated with existing fallout reporting and procedures for remediation. As the development of the CDIP project synchronization routines for individual systems are completed, services and products will be audited end-to-end, in both directions (Order-Entry to Bill, Bill to Order-Entry) testing each system interface along the way. In this approach, all systems are reconciled in one pass. In addition, lessons learned from auditing access line products will identify system inconsistencies potentially impacting other services. As the company moves through the major categories of products and services, more and more specific inconsistencies will be identified. The below table contains a list of tasks in the initiative and their current status:

1

FairPoint Audits – Existing and Under Development	*Status*
Network to Billing Audit Family	
Bill-to-Switch Audit	**Complete**
Switch-to-Bill-to-Tariff Audit	**Complete**
DSL-to-Bill	**Complete**
DSL-to-Bill-to-Tariff	**In-process**
LPIC Analysis	**In-process**
VM Feature Audit	**In-process**
Billing	
$0 MRC Billing in Kenan	**Complete**
Account Aging Analysis	**In-process**
Fixed Line Charges Billing in Kenan (FAC)	**In-process**
Kenan Package MRC Billing	**In-process**
Improper Account Discounts in CDG	**Complete**
Special Access Circuit Billing in CDG – Pilot	**Complete**
Order-to-Bill	
ACTL Validation in CDG	**Complete**
Address Verifications in Kenan	**In-process**
Business Lines with Default Calling Plans in Kenan	**In-process**
Migration and Operational Assurance	
Payphone Billing Analysis	**Complete**

2

3 **Q. Could you summarize any pilot projects you have completed to-date in the area of**
4 **data synchronization?**

5 A. Yes. We have completed a pilot audit involving our DSL customers. The purpose of the
6 audit was to identify DSL circuits working in the network and follow these records
7 through their various representations or lack thereof, in provisioning, ordering and
8 billing, identifying fallout along the way. Data were sourced from six systems

1 representing the network, provisioning, ordering, and billing databases, then filtered to
2 eliminate unnecessary lines and cross-referenced.
3 The below table summarizes the results we obtained in the Northern New England states:
4

Error Type	*Vermont Population*	*VT No. of Defects*	*VT % of Total Defects*	*Description*	*ME, NH, VT Pop*	*ME, NH, VT No of Defects*
DSLAM MetaSolv Unmatched Discrepancies	**43,757**	**21**	**0.0%**	**Switch record did not have the data necessary to match to MetaSolv (node name and node address)**	**173,401**	**129**
Missing ID_XREF	**43,736**	**1,140**	**2.6%**	**Switch records match to MetaSolv but key field to match to Siebel is null**	**173,272**	**5,507**
Siebel Order Unmatched Discrepancies	**5,941**	**3**	**0.1%**	**Switch records match to MetaSolv but are not found as Siebel order**	**20,211**	**60**
Siebel Asset Unmatched Discrepancies	**36,655**	**0**	**0.0%**	**Switch records match to MetaSolv but are not found as Siebel asset**	**147,554**	**4**
Kenan Order Unmatched Discrepancies	**5,988 ***	**244**	**4.1%**	**Switch records match to MetaSolv and Siebel as order but are not found in Kenan**	**20,151**	**709**
Kenan Asset Unmatched Discrepancies	**37,290 ***	**0**	**0.0%**	**Switch records match to MetaSolv and Siebel as asset but are not found in Kenan**	**147,553 ***	**0**
***Some duplicate accounts found**						

5
6 Error rates are low for completed orders. In addition, the Revenue Assurance team has
7 identified business rules which required that additional data fields be loaded into the

source database. These new rules will be incorporated into the audit once the data are loaded and the audit reprocessed to determine the impact on defects. Once confident with the business rules, the team will review the system flow and investigate the ordering process and why key fields are not populated in the various databases. Following that, the knowledge acquired from DSL will be expanded to other products such as Special Access, Switched Access, Private Line and MPLS. Again, all of the activities and associated work products have been transferred and incorporated into the CDIP Program's Cross Systems Data Synchronization initiative.

Q. How does the information gained from this DSL pilot project move FairPoint toward the ultimate goals of the data synchronization project, including the reduction of billing errors, better order flow-through and on-time installations?

A. Each audit provides insights into what aspects of the system interfaces are not working. As a result of each audit, a three-legged approach will be used:

1) Remediation of customer errors will bring the systems into synchronization;
2) If the root cause is system driven, a defect will be assigned and scheduled for root cause remediation to keep the systems in synchronization going-forward; and
3) The audit will be operationalized and run on a regular schedule in the back-office to validate that both remediation's, customer and system, had the desired effect and that future efforts or changes do not disturb the balance among the systems.

Once the systems are synchronized, the various organizations that provide customer service, i.e., the business office, repair teams, and installation teams, will have available to them the information they need to perform their functions. The systems will be in agreement; hence, orders will flow facilitating additions, changes and deletions to services and the process to create the bill, from order to provisioning to billing, will be periodically reviewed.

Q. Could you summarize your approach to the several data synchronization initiatives you mentioned?

A. We will begin by identifying high priority issues and creating audits to analyze the root cause and detect the associated defects. The team will build a scalable program model to support robust, systemic, and efficient analysis of network, core OSS and billing systems. This will enable timelier, cost effective identification, prioritization and reconciliation of conditions impacting bill accuracy and other customer-affecting issues. Each effort to address issues related to various products, services, or processes will accomplish the following:

- Add to the expertise of the new team;
- Provide measurable value toward improving overall bill quality and timelines; and
- Fulfill commitments to state regulatory boards.

Overall, our approach to this complicated issue demonstrates both technical know-how and the fact that FairPoint has the appropriate managerial and executive-level experience in place to tackle these issues.

Q. You referenced several data synchronization tasks above and the status of work on them. Could you provide more information regarding the company's specific plans to implement data synchronization across its major operating systems and the relationship between those plans and the CDIP Program that is based on the recommendations by Accenture?

A. An End-to-End System Synchronization Project Team has been formed, comprised of system data and operational domain experts, software programmers, and business leaders from FairPoint, Capgemini, and MDA. After completing the successful development and testing of preliminary system synchronization product-based audits referenced above, FairPoint has selected MDA as its software partner for the larger enterprise-wide solution deployment. Michael Haga, Vice President of IT is the Project Sponsor and the Project Management Office under Vicky Weatherwax, Vice President of Internal Business Solutions is performing project management. I will be serving as a key stakeholder and primary support for MDA.

Kick-off of the team and the execution of the project plan began in early December 2009. The scope of the systems includes MetaSolv, Seibel, GE Smallworld, Kenan, and CDG. The proposed approach, key performance indicators, benefits, and required resources are

all consistent with Accenture's recent recommendation for a high-priority company initiative to address cross-system synchronization, as referenced in Ms. Weatherwax' testimony. The End-to-End System Synchronization Project Team is closely studying Accenture's assessment result and incorporating that information into our plans appropriately. Following an expected 12-month schedule, with staged deliverables and service improvements progressively along the way, a scalable software solution will be in place to effectively identify, assimilate, reconcile, and remediate core subscriber data between Order Entry, Inventory, Provisioning and Billing Systems. This process will also include development of associated processes, methods, and programs to resolve data synchronization issues more efficiently within FairPoint's business operations and ensure that cross system synchronization is maintained proactively going forward. The end results will be improved service delivery intervals, overall service quality, bill accuracy quality, and reduced operating costs. As an example, we are proactively identifying, reconciling and monitoring incidents of invalid billing to residential customers who have disconnected, changed, or ported-out their basic service with FairPoint. We expect the number of customer experiencing these billing troubles to drop substantially through 2010.

Q. You have referenced the CDIP Program (described in the testimony of Ms. Weatherwax) several times and its Cross-Systems Data Synchronization project. Are there other aspects of the CDIP Program relating to data synchronization that you will be implementing?

A. In addition to the recommendation to complete a cross-system synchronization of existing data, Accenture has recommended that FairPoint create an End-to-End Architecture Team. This team would have significant business process experience and would have the responsibility, as the initial data synchronization initiatives are completed, to insure business operations support on-going, cross-system data reconciliation maintenance efforts.

Another CDIP Program initiative is the Billing Operations Dashboard project, which will enable much greater visibility and business intelligence over FairPoint's bill accuracy. The reports generated as part of the Billing Operations Dashboard project are being designed for managers to monitor the health of the billing system and take appropriate timely action on key performance indicators, such as system provisioning fallout rates, bill production errors, and customer billing claims. Senior management and billing operations teams alike will be able to monitor service levels and proactively identify billing and resolve problems prior to bill creation and delivery, all of which will enhance customer experience and minimize billing adjustments/credits.

Q. Does this conclude your testimony?

A. Yes.

Exhibit TPN-1

Thomas P. Nolting, B.A., M.B.A.

Summary of Qualifications

Over 20 years of experience in the telecommunications industry with demonstrated ability to build effective business units, systems, operational processes, and relationships of enduring value whether inside big corporations or an emerging start-up. Proven record of combining technical knowledge with superior customer relations skills to build client base. Ability to achieve big-picture change through developing and implementing specific action plans.

As Senior Director of a new Financial Assurance Division at Vertek Corporation, I doubled the company's client base and grew revenues to $3 million.

At Lavastorm, I helped reorganize the business as a telecom software company collaborating with the CEO, after the company had lost all $40 million in venture capital, building upon the only profitable division which I ran. By the time I left the company to move to Vermont for family reasons, Lavastorm had sufficient financing, an industry award winning product, Bell South and Comcast among others as long-term customers, and revenues exceeding $3 million. Lavastorm's core strategy continues, and they currently have over $12 million in revenues.

Professional Background

FAIRPOINT COMMUNICATIONS, South Burlington, Vermont 2009
Vice President Billing and Revenue Assurance (September, 2009 - present)

Oversee the FairPoint Northern New England retail and wholesale billing functions and lead the establishment of the company's revenue assurance program over the Wholesale and Business markets. Oversee development and implementation of Sarbanes Oxley processes and controls within the billing function. Direct the work of the billing department to include retail, wholesale, and CABS billing. Define and develop optimal practices, software tools, and Revenue Assurance team resources to increase/protect revenues, reduce network operating expenses, and improve bill accuracy. Work with large business accounts to resolve escalated billing issues as needed.

Director Revenue Assurance (April, 2009 – September, 2009)

Lead the establishment of the company's revenue assurance program over the Wholesale and Business markets. Defined and developed optimal practices, software tools, and Revenue Assurance team resources to increase/protect revenues, reduce network operating expenses, and improve bill accuracy. Directed $24M carrier interconnection payables operation with the goal of identifying unsubstantiated billings and reduce company's related liabilities by 25% annually. Conducted rigorous analysis and process evaluation of bill collections for FairPoint Wholesale and ESG customers, and working with the ESG, Wholesale, Regulatory, and Legal leadership teams to assess gaps, recommended and executed solutions to better manage A/R's. Designed & produced monthly scorecard, reporting on financial returns from Revenue Assurance operations, and highlighting business results and risks having material impact to the company finances.

VERTEK CORPORATION, Colchester, Vermont 2005 to 2008
Senior Director

Vertek offered telecom companies general systems that handle ordering, bill auditing, and systems consolidation. As the Senior Director of the new Financial Assurance Division, planned long-term growth strategies to attract new customers, implemented programs and qualifications to meet current customer needs, and designed a set of core services.

I devised two new Analytical Software Applications to properly track the flow of all monies, prevent inefficiencies caused by disparate systems, and find errors before profit losses could be incurred. I recruited new analysts and managers and determined the specifics of services and pricing. After 3 years of accomplishment when I left the company, my Financial Assurance Division more than doubled the company's client base and grew revenues from less than $150,000 to over $2 million recurring.

LAVASTORM, Boston, Massachusetts 2000 to 2005 ***Vice President***, Product Management (2002 to 2005)

As a Vice President of Lavastorm, a software company for telecommunications service providers, I defined the business requirements and directed the engineering team through the design, test, and installation process of our new revenue assurance product. I also maintained the key accounts. For example, for Comcast, I initiated the initial sales call through to managing all aspects of the design of the new software program that we eventually deployed throughout the customer's enterprise. The Program earned $1.5 million and revenues were still growing by the time I left.

Managing Director, Telecommunications Practice (2000 to 2002)

The CEO of Lavastorm, which engineered internet systems, recruited me to create the Telecom Division. I nurtured relationships with senior management at Verizon and Allegiance Telecom to contract for the beta application of our software programs. The combined total was over $1 million and was pivotal to gaining venture capital.

VERIZON CARRIER SERVICES, Boston, Massachusetts ***Director of Operations*** 1998 to 2000

Verizon Carrier Services billed and paid communication service providers for leasing and accessing each other's telecommunications networks. I was selected by the Verizon Executive Team to fix a massive problem in billing and payments: $80 million receivables and $1 billion payables and growing. I rapidly instituted operational controls to stop bleeding, saving $28 million in 12 months. I uncovered a massive fraud scheme and led the Verizon team in a court case before the United States District Court of New York. Verizon won and recovered $17.5 million.

BELL ATLANTIC 1994 to1998 ***Program Manager, Engineering and Technology,*** Marlboro, MA (1996 to 1998)

The Engineering and Technology Division designed and maintained the New England Bell Atlantic telecommunications network. As Program Manager, my task was to eliminate the negative impact of the flood of dialups that were being generated by the new Internet. The team I put together designed an effective system known as Traffic Track. Our efforts won the Bell Atlantic Corporate Champion Award. The savings for the company were over $13 million, and I ended up with 9 United States Patents.

Market Area Center Operations Manager, Massachusetts Market Area Division, Taunton, MA (1994 to 1996)

The Market Area Center in Taunton was a new, state-of-the-art, $20 million hub that centralized the operations of the $7 billion network that previously were regionalized through out the entire state of Massachusetts. I was chosen as one of two Operations Managers, overseeing the transition of functions and personnel in our regions. Once completed, I managed the 24-hour operations with a 75 person team that ran the high capacity circuits of the new facility. All of the installation service objectives were met or exceeded, trouble reports were reduced by 25%, and repairs were expedited by as much as 50%.

NYNEX, Framingham and Boston, Massachusetts 1987 to 1994 ***Area Operations Manager***, Technical Support (1992 to 1994)

The Technical Support Department addressed all network service outages and trouble reports from the NYNEX sales and field operations. I managed a new team specializing in providing support to strategic customers, such as the City of Boston, Massachusetts General Hospital, and LL Bean. Complaints were reduced and customer satisfaction went up significantly. In addition, I developed new metrics to measure the performance of equipment suppliers companies which supplied the equipment. NYNEX adopted the metrics that I created and used then to filter the bids of potential suppliers.

Project Manager (1990 to 1992), ***Manager*** (1987 to 1990)

The Project Management Department was within the NYNEX Network Services Division and managed the installations of telephone systems for large accounts, such as the Bank of Boston, Harvard University, and the State of Vermont. I managed a 60 person team that successfully installed a $9 million digital voice and data network for Boston University

NEW ENGLAND TELEPHONE Switch Services Division 1985 to 1987***Switching Control Center Supervisor,*** Manchester, NH (1986 to 1987) ***Central Office Supervisor***, Portland, Maine (1985 to 1986)

Industry Speaker

I was an invited speaker at industry conferences in United States and Europe.

Patents

I hold 9 United States patents related to systems and software programs for monitoring, compiling, and analyzing traffic on the telephone network. The inventions are used throughout Verizon for accounting, network planning, and engineering purposes, producing millions of dollars in returns for the company.

Publications

I have written 2 feature articles for trade magazines, one dealing with surrogate billing and the other focusing on the growing trend of companies selling services together.

Awards

Finalist: Operational Excellence BillingWorld Magazine, Phoenix, Arizona 2007

Finalist and Champion: Revenue Assurance Case Study BillingWorld Magazine, Phoenix, Arizona 2003

Corporate Champion: Innovation and Customer Care Verizon and Bell Atlantic, New York City 1999

Education

Verizon Communications, Leaders for the New Millennium Program Corporate Leader, 1999 to 2000 (select management courses for small group of leaders)

Boston University Graduate School of Management M.B.A., Business Operations, 1995 **GPA:** 3.4

University of Vermont B.A., Business Administration, 1985