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December 29, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

VIA HAND DELIVERY
Magalie Salas, Esq.
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20054

Re: Access Reform Tariff Filings
Reply of Roseville Telephone Company to Petition of AT&T Corp.

Dear Ms. Salas:

On behalf of Roseville Telephone Company ("RTC"), enclosed is an original and three copies of its "Reply to the Petition of AT&T Corp. on Rate of Return LEC Tariff Filings", filed December 23, 1997. If there are any questions regarding this matter, please contact me.

Very truly yours,

Paul J. Feldman
Counsel to
Roseville Telephone Company

PJF/jr
Enclosures

cc: Certificate of Service

ORIGINAL

BEFORE THE

Federal Communications Commission

WASHINGTON, D.C. 20554

In the Matter of	)
	)
Annual Access	)
Tariff Fillings	)
	)
Roseville Telephone Company	)
Transmittal Nos. 54 and 55	)

REPLY OF ROSEVILLE TELEPHONE COMPANY TO PETITION OF AT&T CORP. ON RATE OF RETURN LEC TARIFF FILINGS

Roseville Telephone Company ("RTC"), by its attorneys and pursuant to Section 1.773 of the Commission's Rules, hereby replies to the "Petition of AT&T Corp. On Rate-of-Return LEC Tariff Filings" filed on December 23, 1997 (hereinafter the "Petition").[1]

I. Introduction

In Transmittal No. 54, filed on December 17, 1997, with an effective date of January 1, 1998, RTC revised certain rates in its 1997 Annual Access Charge Tariff,

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[1] RTC notes that the first sentence of the Petition states that it is filed against LECs listed in Appendix A thereto. RTC is not listed in that appendix. However, this Reply is filed because the text of the Petition refers to alleged defects in tariff filings made by RTC. RTC also notes that contrary to the requirements of Section 1.773, AT&T not only failed to serve the Petition on RTC by fax on the day of filing, it failed to serve RTC at all (note that RTC is not on the service list). This failure to serve RTC substantially limited the ability of RTC to analyze and reply to AT&T's arguments by the required deadline, as requested by the Bureau's staff.

the basis for this requirement. However, a review of the language of that paragraph does not provide the authority asserted by AT&T. The requirements established in that paragraph are designed to "ensure that these transmission costs will be recovered from those using transmission facilities ..."(emphasis added). In response that paragraph, RTC reassigned central office transmission equipment costs, but did not consider cable & Wire facilities to be "transmission facilities", and accordingly did not remove the cost of those facilities associated with host/remote trunking costs. RTC believes that its interpretation of the language of Paragraph 220 is correct, and AT&T has made no showing demonstrating that cable & wire facilities are reasonably included in the category of transmission facilities. Accordingly, the portion of the Petition alleging that RTC did not properly reallocate host/remote trunking costs should be denied.

If the Bureau concludes, however, that costs associated with Cable & Wire Facilities should have been removed, RTC will correct this allocation and refile as ordered by the Bureau. It should be noted however, that the host/remote trunking costs associated with Cable & Wire Facilities is not the $140,000 stated by AT&T. RTC has recalculated its interstate revenue requirement for TST on the assumption that costs from Cable & Wire Facilities should be removed, and the result would be an increase of $170,473, of which 46.67 percent is assigned to the tandem switching rate element, with the remainder assigned to the TIC until completion of the subsequent two steps of the tandem switching cost transfer. Therefore, if there has been an overstatement of the TIC, the amount of such overstatement would be **$79,560**.

B. RTC Inadvertently Did Not Remove Tandem Trunk Port Costs From the TIC.

RTC acknowledges that it did not remove trunk port costs associated with the tandem switching investment from the TIC. This inadvertent error resulted from RTC's belief (set forth for example in paragraph 174 of the Access Reform First Report and Order) that the requirement to do so was imposed only on price-cap carriers.

RTC estimates that the trunk port costs at issue are $73,853, of which 46.67 percent are to be assigned to tandem switching, with the remainder to be included in the TIC until the completion of the three-part tandem switching cost transfer.

WHEREFORE, Roseville Telephone Company requests that the portion of AT&T's Petition asserting that RTC improperly failed to remove host/remote trunking costs associated with Cable & Wire Facilities be denied.

Respectfully submitted,

ROSEVILLE TELEPHONE COMPANY

By: Paul J. Feldman

George Petrutsas
Paul J. Feldman

Its Attorneys

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December 29, 1997

CERTIFICATE OF SERVICE

I, Judy Ryan, a secretary in the law firm of Fletcher, Heald & Hildreth, P.L.C., hereby certify that true copies of the foregoing Reply to Petition of AT&T Corp. were served this 29th day of December, 1997, upon:

Via Hand Delivery
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Judy Ryan

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