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REDACTED – FOR PUBLIC INSPECTION

September 27, 2012

By Hand Delivery

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, SW
Washington, DC 20554

**Re: WC Docket No. 12-233
WCB/Pricing No. 12-09
Direct Case of Home Telephone ILEC, LLC**

Dear Ms. Dortch:

John Staurulakis, Inc. hereby files the attached Direct Case on behalf of Home Telephone ILEC, LLC pursuant to the Commission's *Order Designating Issues for Investigation*, DA 12-1430, released August 31, 2012 in the above-referenced docket. The Direct Case is filed as confidential under the Commission's Protective Order.¹ Pursuant to the Protective Order, provided are one copy of the confidential version and two copies of the redacted version. The redacted version has also been filed on the Electronic Comment Filing System.

Please direct any questions regarding this filing to the undersigned.

Sincerely,

A handwritten signature in black ink that reads 'John Kuykendall'.

John Kuykendall
Vice President
301-459-7590
jkuykendall@jsitel.com

Attachment

cc: Robin Cohn, Pricing Policy Division, via email.

¹ See *In the Matter of Investigation of Certain 2012 Annual Access Tariffs*, WC Docket No. 12-233, WCB/Pricing File No. 12-09, Protective Order, DA 12-1518, rel. Sept. 21, 2012.

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
) WC Docket No. 12-233
Investigation of Certain 2012 Annual)
Access Tariffs) WCB/Pricing No. 12-09
)

**DIRECT CASE OF
HOME TELEPHONE ILEC, LLC**

Home Telephone ILEC, LLC, (“Home”) pursuant to the August 31, 2012 Designation Order,¹ hereby files its Direct Case in the above-referenced matter.

I. INTRODUCTION

On June 18, 2012, Home Telephone ILEC, LLC, (alternatively “Home” or “Company”), through its consultant John Staurulakis, Inc. (“JSI”) filed under Transmittal No. 165 of the John Staurulakis, Inc. Tariff F.C.C. No. 1 (“JSI Tariff”) revisions in accordance with the Commission’s March 28, 2012 release entitled In the Matter of July 3, 2012 Annual Access Charge Tariff Filings, WCB/Pricing File No. 12-07, Order, DA 12-482 (“June 18th filing”). Home is an Issuing Carrier of the JSI Tariff.

Home elected to file an Access Recovery Charge (“ARC”) pursuant to Section 51.917(e), to be effective July 3, 2012, and a Connect America Fund (“CAF”) election pursuant to Section 51.917(f). The Company made the appropriate filing on June 18, 2012. On July 2, 2012, the Wireline Competition Bureau released an Order that suspended for one day and set for investigation the ARC rates contained in the 2012 Annual Access Tariff filings of all issuing incumbent local exchange carriers (“ILECs”)

¹ Investigation of Certain 2012 Annual Access Tariffs, WC Docket No. 12-233, WCB/Pricing No. 12-09, *Order Designating Issues for Investigation*, DA 12-1430 (rel. August 31, 2012) (“Designation Order”).

that charged an ARC, including those filed on behalf of Home. Pursuant to the *Designation Order*, Home hereby submits the required information and demonstrates that in light of the adjustments discussed in this Direct Case, Home’s ARC rates are just and reasonable.

The financial information presented in this Direct Case as Exhibit 1, the 2012 ROR ILEC Interstate Rates Worksheet and the 2012 ROR ILEC Intrastate Rates Worksheet,² is confidential and is being submitted with this Direct Case in both confidential and redacted versions. This revised financial information will also be filed with USAC as directed by the *Designation Order*.

II. ISSUES DESIGNATED FOR INVESTIGATION

A. Whether LEC has Reasonably Determined the Amount of its Base Period Revenue

1. Fiscal Year 2011 Revenue Determinations

A rate-of-return Local Exchange Carrier’s (“LEC’s”) Base Period revenue is made up of three components: 1) its 2011 Interstate Switched Access Revenue Requirement; 2) Fiscal Year 2011 revenues from rate elements included in the definition of Transitional Intrastate Access Service received by March 31, 2012; and 3) Fiscal Year 2011 reciprocal compensation revenues received by March 31, 2012, less Fiscal Year 2011 reciprocal compensation payments made by March 31, 2012 (net reciprocal compensation revenues). Base Period Revenue also includes revenues from non-recurring charges associated with the switched access services in question.

² Also referred to as the Tariff Review Plan or financial information.

Home bills its carrier access bills (“CABs”) on a calendar month cycle. Consequently, intrastate terminating billing usage reflected in the June 18th filing for Home was based on the time period from October 1, 2010 through September 30, 2011, which is the Fiscal Year put forth by the Commission. The CABs are used to ensure that the revenues are for services provided during Fiscal Year 2011, eliminate billed revenues not related to services provided such as late fees which are identified separately on the CABs and to make certain that billed revenues were collected by March 31, 2012. Accordingly, no adjustment to the intrastate terminating billing usage is required at this time.

2. Non-recurring charges inclusions and eliminations

Home does not have any non-recurring charges associated with the services in question. As a result, Base Period Revenue is not impacted by non-recurring charges. Non-recurring charges not related to these services were also excluded from the billed revenues used in the June 18th filing and in this Direct Case.

B. Whether LEC has Reasonably Calculated its Required Intrastate Rate Reductions

Home has followed the appropriate procedure when determining its required intrastate rate reductions for the purposes of the June 18th filing, and for this Direct Case, and is not subject to review of this issue as outlined in the Commission’s *Designation Order*.

C. Whether LEC has Reasonably Estimated its Projected Interstate and Intrastate Switched Access Demand

LECs were directed to use existing demand estimation methods to project demand for the 2012-2013 tariff period. In calculating the Eligible Recovery, a LEC must also subtract certain projected intrastate and interstate access revenues from its Base Period.

Please reference Exhibit 1. As indicated on the 2012 ROR ILEC Interstate Rates Worksheet, the LSS amount reflected in cell F-7 is [REDACTED] and the projected annual percentage rate of demand change reflected in the calculation of the amount in cell F-10 is -13.33 percent. As indicated on the 2012 ROR ILEC Intrastate Rates Worksheet, the projected annual percentage rate of demand change reflected in the calculation of the amount in cell G-9 is -13.14 percent.

This review indicated that Home's initial projected interstate and/or intrastate demand loss exceeded an annualized rate of fifteen percent. Accordingly, Home did not fall within the safe harbor and is re-filing with the Commission in conjunction with this Direct Case, a revised 2012 ROR ILEC Interstate Rates Worksheet and a revised 2012 ROR ILEC Intrastate Rates Worksheet in order to reflect a demand loss annualized rate of fifteen percent.

D. Whether NECA's Allocation of Projected Pool Interstate Switched Access Revenues Based on Projected Switched Access Billed Revenues was Reasonable

Not applicable to Home Telephone ILEC, LLC.

E. Whether the Suspended Access Recovery Charge Rates are Just and Reasonable and, if not, the Process for Requiring Refunds

Please reference Exhibit 2 which is a Table reflecting Home's filed ARC rates and the ARC rates supported by this Direct Case. In this Direct Case, Home reaffirms the

ARC rates that were established in the June 18th filing and asserts that the ARC rates established in the June 18th filing were just and reasonable. Home is also filing Exhibit 3 with this Direct Case, which is the completed Tariff Review Plan showing the calculation of its ARC rates. In light of the fact that no changes are being proposed to the ARC rates calculations, this Tariff Review Plan will not be re-filed and Home will not be filing revised ARC rates with the Commission in conjunction with this Direct Case.

III. CONCLUSION

Home presents this Direct Case in compliance with the aforementioned August 31, 2012 Designation Order. Home has reasonably determined the amount of its Base Period Revenue, reasonably calculated its required intrastate rate reductions, and reasonably estimated its projected interstate and intrastate switched access demand.

Accordingly, and in light of the adjustments described in this Direct Case, Home's suspended ARC rates are just and reasonable and are reaffirmed by this Direct Case.

Respectfully submitted,

September 27, 2012

Home Telephone ILEC, LLC

/s/ H. Keith Oliver

H. Keith Oliver

Vice President

P.O. Box 1194

Moncks Corner, South Carolina 29461

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EXHIBIT 1

- 2012 ROR ILEC Interstate Rates Worksheet
- 2012 ROR ILEC Intrastate Rates Worksheet

	A	B	C	D	E	F	G	H
1	Filing Date:		6/18/2012					
2	Filing Entity:		Home Telephone ILEC, LLC					
3	Transmittal Number:		165					
4	COSA:		240527					
5								
6								
7	Most Recently Filed Interstate Switched Access Revenue Requirement					Input		
8	TY 2012-2013 Baseline Adjustment Factor (BAF)						0.95	
9	BAF X Most Recently Filed Interstate Switched Access Revenue Requirement					F7*F8		
10	Total TY 2012-2013 Expected Maximum Interstate Revenue					Sum of Col. H		
11	TY 2012-2013 Interstate Eligible Recovery					F9-F10		
12								
13								
14	Interstate Tariff Section	USOC	Interstate Switched Access Rate Element	Unit of Demand (e.g., MOU or DS1)	12/29/11 Interstate Rate	7/1/2012 Proposed Rate		
15	Input	Input	Input (Note 1)	Input	Input	Input		
16	** LOCAL SWITCHING **							
17	17.2.3	LS	Local Switching	MOU	0.01014			
18								
19								
20								
21								
22	** INFORMATION **							
23	17.2.3	INFO	Information	MOU	0.00383			
24								
25								
26								
27								
28	** TANDEM-SWITCHED TRANSPORT AND TANDEM **							
29	17.2.2	TSF	Tandem Switched Facility	MOU per Mile		0.000251		
30	17.2.2	TST	Tandem Switched Termination	MOU per Term		0.001309		
31								
32								
33								
34	** SIGNALING FOR TANDEM SWITCHING **							
35	17.2.2	TS	Tandem Switching	MOU				
36								
37								
38								
39								
40	** DIRECT-TRUNKED TRANSPORT **							
41	17.2.2	DTF	Direct Trunk Transport Facility	DS1's per Mile		15.47		
42	17.2.2	DTF	Direct Trunk Transport Facility	DS3's per Mile		112.89		
43	17.2.2	DTT	Direct Trunk Transport Termination	DS1's per Term		80.43		
44	17.2.2	DTT	Direct Trunk Transport Termination	DS3's per Term		460.07		
45								
46	** DEDICATED SIGNALING TRANSPORT **							
47								
48								
49								
50								
51								
52	** ENTRANCE FACILITIES **							
53	17.2.2	EF	Entrance Facilities	DS1's		143.76		
54								
55								
56								
57								
58	** LINE INFORMATION DATABASE **							
59	17.2.2	DBQ	800 Database Query-Basic	Queries	0.005	0.005		
60	17.2.2	DBQ-V	800 Database Query - Vertical	Queries	0.0052	0.0052		
61								
62								
63								
64	** BILLING NAME AND ADDRESS **							
65								
66								
67								
68								
69								
70								
71	Total TY 2012-2013 Expected Maximum Interstate Revenue (Sum of Col. H)							
72								
73								
74	Note 1: Enter one rate element per line under the relevant category. Insert rows as necessary.							

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	
1	Filing Date:		6/18/2012																	
2	Filing Entity:		Home Telephone ILEC, LLC																	
3	Transmittal Number:		165																	
4	COSA:		240527																	
5																				
6																				
7	Total FY 2011 Actual Revenue for Transitional Intrastate Access Service Rate Elements						Sum of Col. O													
8	95% of Total FY 2011 Actual Revenue for Transitional Intrastate Access Service Rate Elements						Sum of Col. P													
9	Total TY 2012-2013 Expected Maximum Transitional Intrastate Access Service Revenue						Sum of Col. R													
10	Total TY 2012-2013 Intrastate Eligible Recovery						Sum of Col. S													
11																				
12																				
13	Intrastate Tariff Section	Interstate Tariff Section	USOC	Intrastate and Interstate Switched Access Rate Elements for Transitional Intrastate Access Service Categories	Unit of Demand (e.g., MOU or DS1)	12/29/2011 Intrastate Rate	12/29/2011 Interstate Rate													
14	Input	Input	Input	Input (Note 1)	Input	Input	Input													
15				** TERMINATING END OFFICE ACCESS SERVICE **																
16				<u>Terminating Carrier Common Line</u>																
17																				
18																				
19																				
20																				
21																				
22				<u>Terminating Local Switching</u>																
23																				
24				Local Switching - Terminating	mou	0.007779	0.01014000													
25				Information Surcharge - Terminating	mou	0.037400	0.00382900													
26																				
27																				
28				<u>Terminating Other (e.g., information surcharge, transport or residual, interconnection charges)</u>																
29																				
30				Transitional Access Fund - Terminating	billed monthly															
31																				
32																				
33																				
34				** TERMINATING TANDEM-SWITCHED TRANSPORT ACCESS SERVICE **																
35				<u>Terminating Tandem-Switched Common Transport</u>																
36				Local Transport Facility - Terminating (avg miles w/BIP = 12.64)	mou x miles	0.00004														
37				Local Transport Termination - Terminating	mou	0.00036														
38				Tandem Switched Facility (avg miles w/BIP = 12.81)	mou x miles		0.000251													
39				Tandem Switched Termination (avg terminations = 1.58)	mou x terms		0.001309													
40				Tandem Switching (0% of LS mou)	mou															
41				<u>Terminating Tandem Switching</u>																
42																				
43																				
44																				
45																				
46																				
47				** ORIGINATING AND TERMINATING DEDICATED TRANSPORT ACCESS SERVICE **																
48				<u>Originating and Terminating Entrance Facilities</u>																
49																				
50																				
51																				
52																				
53				<u>Originating and Terminating Tandem-Switched Dedicated Transport</u>																
54																				
55																				
56																				
57																				
58																				
59																				
60				<u>Originating and Terminating Direct-Trunked Transport</u>																
61																				
62				Direct Trunk Facility	DS-1		15.31													
63				Direct Trunk Termination	DS-1		61.03													
64																				
65																				
66																				
67	Total																			
68																				
69																				
70	Note 1: Enter one rate element per line under the relevant category. Insert rows as necessary.																			

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EXHIBIT 2

Initial ARC Rate and Direct Case ARC Rate

Comparison Table

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HOME TELEPHONE ILEC, LLC

Exhibit 2

Initial ARC Rate and Direct Case ARC Rate Comparison Table

	Initial ARC Rate	Direct Case ARC Rate
Primary Residential or Single Line Business End User Common Line Charge	\$0.50	\$0.50
Multi-Line Business End User Common Line Charge	\$1.00	\$1.00

Excludes Lifeline Customers

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EXHIBIT 3

Tariff Review Plan

Calculation of ARC Rates

REDACTED VERSION FOR PUBLIC REVIEW

Filing Date (enter w/leading '):
 Holding Company:
 Filing Name:

6/18/2012
 Home Telephone ILEC, LLC.

ARCCTR-CAF-1

Study Area EXCHANGES

Rate Ceiling Component Charges Calculation (51.915(b)(11))

RESIDENCE / NP / BRI / SLB (excluding Lifeline)

MULTI-LINE BUSINESS

Study Area	EXCHANGES	Mandatory								Total Rate Ceiling Comp. Chgs	Federal SLC-MLB
		Stand-alone R1 rate	Mandatory EAS	Zone Charges	State SLC	E911	TRS	State USF	Federal SLC		
240527 All Exchanges		\$ 14.35	\$ -	\$ -	\$ -	\$0.60	\$0.15	\$0.36	\$6.50	\$21.96 \$0.00	\$ 9.20

**Certification of Officer
to Authorize an Agent to File Data on Behalf of Reporting Carrier**

I certify that (Name of Agent) John Staurulakis, Inc. (JSI) is authorized to submit information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the data provided to the Authorized Agent; and, to the best of my knowledge, the actual data provided to the Authorized Agent are accurate.

Name of Authorized Agent John Staurulakis, Inc. (JSI)

Name of Reporting Carrier **Home Telephone ILEC, LLC d/b/a Home Telecom**

Signature of Authorized Officer



Date

9/24/2012

Printed name of Authorized Officer H. Keith Oliver

Title or position of Authorized Officer Vice President

Telephone number of Authorized Officer. (8 4 3) 7 6 1 -9 1 0 1 ext. _ _ _ _

Study Area Code of Reporting Carrier

240527

Filing Due Date for this form
(mm/dd/yyyy)

09/27/2012

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Certification of Officer as to the Accuracy of the CAF ICC Data Reported

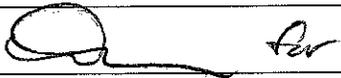
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the actual data reported; and, to the best of my knowledge, the information reported on this form is accurate.

Name of Reporting Carrier		Home Telephone ILEC, LLC d/b/a Home Telecom	
Signature of Authorized Officer			Date 9/24/2012
Printed name of Authorized Officer		H. Keith Oliver	
Title or position of Authorized Officer		Vice President	
Telephone number of Authorized Officer.		(8 4 3) 7 6 1 -9 1 0 1 ext. _ _ _ _	
Study Area Code of Reporting Carrier	240527	Filing Due Date for this form (mm/dd/yyyy)	09/27/2012

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.

Certification of Officer for Rate-of-Return Carrier Eligibility for CAF/ICC Recovery

I certify that I am an officer of the reporting carrier and that, to the best of my knowledge, the reporting carrier on this form certifies that it has complied with Eligible Recovery §51.917(d) and Access Recovery Charge §51.917(e) and is eligible to receive the CAF ICC support requested pursuant to §51.917(f).

Name of Reporting Carrier		Home Telephone ILEC, LLC d/b/a Home Telecom	
Signature of Authorized Officer			Date 9/24/2012
Printed name of Authorized Officer		H. Keith Oliver	
Title or position of Authorized Officer		Vice President	
Telephone number of Authorized Officer.		(8 4 3) 7 6 1 -9 1 0 1 ext. _ _ _ _	
Study Area Code of Reporting Carrier	240527	Filing Due Date for this form (mm/dd/yyyy)	09/27/2012

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Certification of Officer for Rate-of-Return Carrier Not Seeking Duplicative Recovery

I certify that I am an officer of the reporting carrier and that, to the best of my knowledge, the reporting carrier is not seeking duplicative recovery in the state jurisdiction for any Eligible Recovery subject to the recovery mechanism as per §51.917(d)(vii).

Name of Reporting Carrier	Home Telephone ILEC, LLC d/b/a Home Telecom		
Signature of Authorized Officer		Date	9/24/2012
Printed name of Authorized Officer	H. Keith Oliver		
Title or position of Authorized Officer	Vice President		
Telephone number of Authorized Officer.	(8 4 3) 7 6 1 -9 1 0 1 ext. _ _ _ _		
Study Area Code of Reporting Carrier	240527	Filing Due Date for this form (mm/dd/yyyy)	09/27/2012

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