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September 27, 2012

By Hand Delivery

FILED/ACCEPTED

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

SEP 27 2012
Federal Communications Commission
Office of the Secretary

**Re: WC Docket No. 12-233
WCB/Pricing No. 12-09
Direct Case of Millington Telephone Company**

Dear Ms. Dortch:

John Staurulakis, Inc. hereby files the attached Direct Case on behalf of Millington Telephone Company 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,

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

Attachment

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

No. of Copies rec'd 0+1
List ABCDE

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

FILED/ACCEPTED

SEP 27 2012

Federal Communications Commission
Office of the Secretary

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

DIRECT CASE OF
MILLINGTON TELEPHONE COMPANY

Millington Telephone Company, (“Millington”) 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, Millington Telephone Company, (alternatively “Millington” 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”). Millington is an Issuing Carrier of the JSI Tariff.

Millington 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

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”).

Annual Access Tariff filings of all issuing incumbent local exchange carriers (“ILECs”) that charged an ARC, including those filed on behalf of Millington. Pursuant to the *Designation Order*, Millington hereby submits the required information and demonstrates that in light of the adjustments discussed in this Direct Case, Millington’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 Determination

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.

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Millington bills its carrier access bills (“CABs”) on a mid-month cycle. Consequently, intrastate terminating billing usage reflected in the June 18th filing for Millington was based on the time period from September 20, 2010 through September 19, 2011 and not the October 1, 2010 through September 30, 2011 Fiscal Year put forth by the Commission. Although this time period does not align exactly with the October 2010 through September 2011 Fiscal Year noted above, the eleven day variance in the time frames has a de minimus impact on the Base Period Revenues included in the June 18th filing. 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.

The effort involved in subtracting and adding eleven days to Millington’s CABs billed revenues time frame reflected in the June 18th filing in order to match identically with the October 1, 2010 through September 30, 2011 Fiscal Year designated by the Commission, is unwarranted given the minimal impact such an adjustment will have on the Base Period Revenue amount. By way of an example, and to help quantify the impact of such an adjustment, Fairpoint Telephone Companies indicated in a recently filed Amended Transmittal No. 31, Supplement to Description and Justification filing that such an adjustment using the designated Fiscal Year would result in a less than one percent increase.³

³ See the Fairpoint Telephone Companies Amended Transmittal No. 31, Supplement to Description and Justification, filed July 30, 2012. See also In the Matter of *July 3, 2012 Annual Access Tariff Filings*, WCB/Pricing No. 12-07, Order, DA 12-482 (Wireline Comp. Bur., rel. March 28, 2012).

Millington asserts that in light of the fact that there is only an eleven day variance between Millington’s intrastate terminating billing usage time frame of September 20, 2010 through September 19, 2011 and the October 2010 through September 2011 Fiscal Year put forth by the Commission, like Fairpoint, the effort and expense associated with making this adjustment to “calendarize” this data is unwarranted when considering the minimal impact this adjustment will likely have on the ultimate ARC computation.

2. Non-recurring charges inclusions and eliminations

Millington 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

Millington 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 -14.25 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 -13.39 percent. This review indicated that Millington's initial projected interstate and/or intrastate demand loss exceeds an annualized rate of fifteen percent. Accordingly, Millington does 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 for the applicable time period.

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

Not applicable to Millington Telephone Company.

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 Millington's filed ARC rates and the ARC rates supported by this Direct Case. In this Direct Case, Millington 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. Millington 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 Millington will not be filing revised ARC rates with the Commission in conjunction with this Direct Case.

III. CONCLUSION

Millington presents this Direct Case in compliance with the aforementioned August 31, 2012 *Designation Order*. Millington 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, Millington's suspended ARC rates are just and reasonable and are reaffirmed by this Direct Case.

Respectfully submitted,

September 27, 2012

Millington Telephone Company

/s/ David C. Espinoza

David C. Espinoza

Controller

P.O. Box 429

Millington, TN 38053

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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: June 18, 2012							
2	Filing Entity: Millington Telephone Company, Inc.							
3	Transmittal Number:							
4	COSA: 290571							
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	0.00519			
18								
19								
20								
21								
22	** INFORMATION **							
23	17.2.3	INFO	Information	MOU	0.073189			
24								
25								
26								
27								
28	** TANDEM-SWITCHED TRANSPORT AND TANDEM **							
29	17.2.2	TSF	Tandem Switched Facility	MOU per Mile		0.000106		
30	17.2.2	TST	Tandem Switched Termination	MOU per Term		0.000544		
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		13.63		
42	17.2.2	DTF	Direct Trunk Transport Facility	DS3's per Mile		132.03		
43	17.2.2	DTT	Direct Trunk Transport Termination	DS1's per Term		69.47		
44	17.2.2	DTT	Direct Trunk Transport Termination	DS3's per Term		666.83		
45								
46	** DEDICATED SIGNALING TRANSPORT **							
47								
48								
49								
50								
51	** ENTRANCE FACILITIES **							
52								
53	17.2.2	EF	Entrance Facilities	DS1's		89.01		
54								
55								
56								
57								
58	** LINE INFORMATION DATABASE **							
59	17.2.2	DBQ	800 Database Query-Basic	Queries	0.0040	0.0040		
60	17.2.2	DBQ-V	800 Database Query - Vertical	Queries	0.0042	0.0042		
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	June 18, 2012																
2	Filing Entity	Millington Telephone Company, Inc																
3	Transmittal Number:																	
4	COSA	290571																
5																		
6																		
7	Total FY 2011 Actual Revenue for Transitional Intrastate Access Service Rate Elements					Sum of Col	Q											
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											
15				** TERMINATING END OFFICE ACCESS SERVICE **														
16				<u>Terminating Carrier Common Line</u>														
17																		
18	14.1	n/a		CCL - Terminating	MOU	0 01001	0											
19																		
20																		
21																		
22				<u>Terminating Local Switching</u>														
23																		
24	14.1	17.2.3(A)		Local Switching	MOU	0 002128	0 00513											
25																		
26																		
27																		
28				<u>Terminating Other (e.g., Information surcharges, Transport or Residual Interconnection Charges)</u>														
29																		
30	14.1	17.2.3(B)		Information Surcharge - (Converted to Per Access MOUs)	MOU	0 063593	0 073189											
31																		
32																		
33																		
34				** TERMINATING TANDEM-SWITCHED TRANSPORT ACCESS SERVICE **														
35				<u>Terminating Tandem-Switched Common Transport</u>														
36																		
37																		
38	14.1	17.2.2		Tandem Switched Facility - Weighted Avg Miles/BIP - 22 s	MOU/Mile	0 000023	0 000106											
39	14.1	17.2.2		Tandem Switched Termination - 1 Termination	MOU/Term	0 000088	0 000544											
40																		
41				<u>Terminating Tandem Switching</u>														
42																		
43		17.2.2		Tandem Switching	MOU	0	0											
44																		
45																		
46																		
47				** ORIGINATING AND TERMINATING DEDICATED TRANSPORT ACCESS SERVICE **														
48				<u>Originating and Terminating Entrance Facilities</u>														
49																		
50	14.1	17.2.2		Voice Grade 2-wire	2-wire													
51	14.1	17.2.2		Voice Grade 4-wire	4-wire													
52	14.1	17.2.2		DS1	DS1													
53	14.1	17.2.2		DS3	DS3													
54				<u>Originating and Terminating Tandem-Switched Dedicated Transport</u>														
55																		
56																		
57				<u>Originating and Terminating Direct-Trunked Transport</u>														
58																		
59																		
60	14.1	17.2.2		Direct Trunk Transport - Direct Trunk Facility - Voice Grade	Voice Grade													
61	14.1	17.2.2		Direct Trunk Transport - Direct Trunk Facility - DS1	DS1	23 00	18 63											
62	14.1	17.2.2		Direct Trunk Transport - Direct Trunk Facility - DS3	DS3	143 06	132 03											
63	14.1	17.2.2		Direct Trunk Termination - Voice Grade	Voice Grade													
64	14.1	17.2.2		Direct Trunk Termination - DS1	DS1	45 00	69 47											
65	14.1	17.2.2		Direct Trunk Termination - DS3	DS3	600 00	666 83											
66	14.1	17.2.2		Multiplexing, per arrangement	DS3 to DS1													
67	14.1	17.2.2		Multiplexing, per arrangement	DS1 to Voice													
68																		
69																		
70	Total																	
71																		
72																		
73	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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MILLINGTON TELEPHONE COMPANY

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

Millington Telephone Company, Inc.

ARCCTR-CAF-1

Study Area EXCHANGES

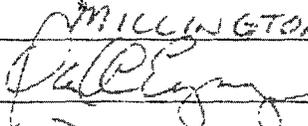
Rate Ceiling Component Charges Calculation (51.915(b)(11))										
RESIDENCE / NP / BRI / SLB (excluding Lifeline)										
Study Area	EXCHANGES	Mandatory	Zone	State	E911	TRS	State	Federal	Total Rate Ceiling	
										Stand-alone R1 rate
290571 All other than Stanton		\$ 13.15	\$ -	\$ -	\$ -	\$ 1.20	\$ 0.00	\$ 0.00	\$ 6.50	\$ 20.85
290571 Stanton		\$ 10.15	\$ -	\$ -	\$ -	\$ 1.30	\$ 0.00	\$ 0.00	\$ 6.50	\$ 17.95

MULTI-LINE BUSINESS

Federal
SLC-MLB
 \$ 9.20

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

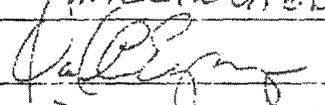
I certify that (Name of Agent) John Staurulakis, Inc. (JSI) is authorized to submit information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the data provided to the Authorized Agent; and, 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	WILLINGTON TELEPHONE CO., INC		
Signature of Authorized Officer		Date	9.25.12
Printed name of Authorized Officer	DAVID C ESPINOZA		
Title or position of Authorized Officer	CONTROLLER		
Telephone number of Authorized Officer.	(901) 872-5150 ext. _____		
Study Area Code of Reporting Carrier	310571	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

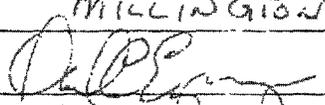
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the actual data reported; and, to the best of my knowledge, the information reported on this form is accurate.

Name of Reporting Carrier			MILLINGTON TELEPHONE CO., INC		
Signature of Authorized Officer			Date	9.25.12	
Printed name of Authorized Officer			DAVID C. ESPINOZA		
Title or position of Authorized Officer			CONTROLLER		
Telephone number or Authorized Officer.			(901) 872-5150 ext. _____		
Study Area Code of Reporting Carrier		^ 910-71	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		MILLINGTON TELEPHONE CO, INC	
Signature of Authorized Officer		Date	9.25.12
Printed name of Authorized Officer		DAVID ESPINOZA	
Title or position of Authorized Officer		CONTROLLER	
Telephone number or Authorized Officer.		(901) 372-5150 ext. _____	
Study Area Code of Reporting Carrier	290571	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 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

MILLINGTON TELEPHONE CO., INC

Signature of Authorized Officer

Date

9.25.12

Printed name of Authorized Officer

DAVID E. ESPINOZA

Title or position of Authorized Officer

CONTROLLER

Telephone number of Authorized Officer.

(901) 872-5150 ext. _____

Study Area Code of Reporting Carrier

270571

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.