



REDACTED – FOR PUBLIC INSPECTION

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September 27, 2012

By Hand Delivery

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

FILED/ACCEPTED

SEP 27 2012

Federal Communications Commission
Office of the Secretary

Re: **WC Docket No. 12-233**
WCB/Pricing No. 12-09
Direct Case of TDS TELECOM COMPANIES:
Camden Telephone Company d/b/a TDS Telecom
Oklahoma Communications Systems, Inc. d/b/a TDS Telecom
Mt. Vernon Telephone Company d/b/a TDS Telecom
Tennessee Telephone Company d/b/a TDS Telecom

Dear Ms. Dortch:

John Staurulakis, Inc. hereby files the attached Direct Case on behalf of the TDS Telecom Companies 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

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

SEP 27 2012
Federal Communications Commission
Office of the Secretary

DIRECT CASE OF
TDS TELECOM COMPANIES

TDS Telecom Companies¹, (“TDS Telecom”) pursuant to the August 31, 2012 Designation Order,² hereby files its Direct Case in the above-referenced matter.

I. INTRODUCTION

On June 18, 2012, TDS Telecom Telephone Company, (alternatively “TDS Telecom” 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”). TDS Telecom is an Issuing Carrier of the JSI Tariff.

TDS Telecom 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

¹ TDS Telecom Companies is comprised of: Camden Telephone Company, d/b/a TDS Telecom, Oklahoma Communications Systems, Inc. d/b/a TDS Telecom, Mt. Vernon Telephone Company, d/b/a TDS Telecom, and Tennessee Telephone Company, d/b/a TDS Telecom.

² 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”).

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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”) that charged an ARC, including those filed on behalf of TDS Telecom. Pursuant to the *Designation Order*, TDS Telecom hereby submits the required information and demonstrates that in light of the adjustments discussed in this Direct Case, TDS Telecom’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,³ is confidential and is being submitted with this Direct Case in both confidential and redacted versions.

TDS Telecom is re-filing its financial information in conjunction with this Direct Case, including the holding company Rate Ceiling Tariff Review Plan for TDS Telecom which has been revised appropriately and provided as Exhibit 4. Further, subsequent to the June 18th filing TDS Telecom has previously filed a revised ICC-CAF Tariff Review Plan with the Commission under an amendment to JSI Tariff Transmittal No. 165 in order to address issues raised by Commission Staff, USAC, or issues identified by JSI and the Company. Accordingly, TDS Telecom is also filing the appropriate certifications with this Direct Case indicating that all revised financial information is true and correct to the best of its knowledge, that it was not seeking duplicative recovery, and that it complied with sections 51.917(d), 51.917(e), and 51.917(f) of the Commission’s rules.⁴

³ Also referred to as the Tariff Review Plan or financial information.

⁴ See 47 C.F.R. §§ 1.16 (addressing unsworn declarations under penalty of perjury in lieu of affidavits); 51.917(d)(1)(vii) (requiring annual certification from Rate-of-Return carriers obtaining Eligible Recovery that no duplicative recovery is sought); and 51.917(f)(3) (stating that “A Rate-of-Return carrier that elects

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.

TDS Telecom bills Switched Access usage in arrears across six different bill cycle dates throughout the month. All six of those cycles are on a bill date other than the 1st of the month, thus the billing does not reflect calendarized billing of that particular month. For example, TDS Telecom's ILEC "A" provided an access bill to the carriers on the 16th of each month. The Switched Access Service cut-off date for access usage was the 8th day of the previous month to the 7th of the current month. In order to ensure the appropriate usage and revenue is in the calendar month, the TDS Telecom ILECs adjusted the billed intrastate Terminating Switched Access revenue to reflect calendarized monthly reporting. Using the revenue reporting month of October 2011 as an example, TDS Telecom's ILEC "A" included 7/30th days from the October billed usage and used 23/30th

to receive CAF ICC support must certify with its 2012 annual access tariff filing and on April 1st of each subsequent year that it has complied with paragraphs (d) and (e), and, after doing so, is eligible to receive the CAF ICC support requested pursuant to paragraph (f) of this section").

days of billed usage from September 2011 to represent the October 2011 calendar month revenue.

This same process based on each bill cut-off date was repeated for each TDS Telecom ILEC to reflect the Fiscal Year revenues at each of the TDS Telecom ILECs. Since TDS Telecom bills on six different bill cycles, this calculation with different “cut-off dates” used a similar method to arrive at its “calendarized usage”.

One of the TDS Telecom Companies (Tennessee Telephone) has four different bill cycles. An analysis similarly described above was done for each of the billing cycles within Tennessee Telephone Company and then summarized by bill cycle in order to obtain the fiscal year revenues to be included in this filing.

TDS Telecom bills Switched Dedicated Transport Services in advance across six different bill cycles per month. Similar to Switched Access usage, all six of the cycles do not correspond to the calendar month. Since Switched Dedicated Transport Services demand typically remains constant throughout the year, calendarization was not attempted given the minimal impact such an adjustment will have on the Base Period Revenue amount.

2. Non-recurring charges inclusions and eliminations

In addition to monthly recurring charges that were captured in the monthly billing reports above, the TDS Telecom Companies analyzed Other Charges and Credits (“OCC”) and other adjustments that had occurred during the Fiscal Year, as that usage was not included in the monthly billing reports.

Then TDS Telecom looked at the bill dates of each of the OCC adjustments associated with Switched Terminating Access services rendered during the 2011 Fiscal

Year. Some of the OCC's and other adjustments during the Fiscal Year billing period could be for one-time access related transport charges for Switched Dedicated Trunks, and could also include billing adjustments and/or billing corrections for Terminating Switched Access, during the Fiscal Year billing period. Miscellaneous Access charges such as PIC charges and late payment fees are not included in the non-recurring Terminating Access Fiscal Year revenue as these types of OCCs are generally not related to switched access service.

Since most OCC adjustments do not include the direction of traffic, TDS Telecom developed a terminating revenue ratio based on Fiscal Year Originating and Terminating revenues to accurately account for Fiscal Year Terminating OCC. Only the Terminating portion of that OCC revenue is reported in Column O.

3. Reciprocal Compensation

In compliance with the FCC's Transformation Order, TDS Telecom included Fiscal Year Reciprocal Revenues, net of Fiscal Year expenses paid for services with CMRS providers allowed under the Rule 47 C.F.R. 51.915(d)(1)(i)B. This information can be found on the "RoR-ILEC-ICC-Data" Excel data file, under the tab entitled 2012 RoR ILEC Rec. Comp Rates. TDS Telecom included 2011 Fiscal Year revenues that were billed and collected during the 2011 Fiscal Year as set out by the order. The calendarization process as described for Terminating Switched Access revenue was also used for Reciprocal Compensation revenue and usage. In addition, TDS Telecom reduced the calendarized revenues by the Reciprocal Compensation services that were paid (expense) during the Fiscal Year to obtain a net amount.

4. Revenues not paid through March 31, 2012

One last step to arrive at Fiscal Year revenues was to ensure revenues that were billed were collected by March 31, 2012. During April of 2012, an access billing report was run which provided information to determine which bills during the Fiscal Year were yet unpaid. For those Terminating Switched Access and Reciprocal Compensation revenues that were unpaid, a reduction to actual billed Terminating Switched Access revenue and Reciprocal Compensation revenue was made at each of our TDS Telecom ILECs. On the last line of Column O, the uncollected amount of revenue to be excluded, as it was not yet paid is listed by each TDS Telecom ILEC.

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

TDS Telecom 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] for the combined TDS ILECs and the projected interstate annual percentage rate of demand change reflected in the calculation of the amount in cell F-10 is within a range of -8% to -11%. As indicated

on the 2012 ROR ILEC Intrastate Rates Worksheet, the projected annual percentage rate of intrastate demand change reflected in the calculation of the amount in cell G-9 is within a range of -12.01% to -14.11%.

This review indicates that TDS Telecom’s overall projected interstate demand loss is less than an annualized rate of fifteen percent. Accordingly, TDS Telecom falls within the “safe harbor” of fifteen percent. This review also indicates that TDS Telecom’s projected intrastate demand loss exceeds an annualized rate of fifteen percent at two TDS Telecom Companies, Mt. Vernon Telephone Company and Tennessee Telephone Company. Accordingly, these two TDS Telecom Companies do not fall within the safe harbor and are 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 TDS Telecom.

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

III. CONCLUSION

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

Respectfully submitted,

September 27, 2012

TDS Telecom

/s/ Kevin G. Hess
Kevin G. Hess
Senior Vice President
TDS Telecom
525 Junction Road
Madison, WI 53717

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Camden Telephone Company d/b/a TDS Telecom

EXHIBIT 1

- **2012 ROR ILEC Interstate Rates Worksheet**
- **2012 ROR ILEC Intrastate Rates Worksheet**
- **2012 ROR ILEC Rec. Comp. Worksheet**

Filing Date:	June 18, 2012
Filing Entity:	CAMDEN TELEPHONE AND TELEGRAPH COMPANY, INC.
Transmittal Number:	165
COSA:	220351

ICC-CTC
Page 2 of 4

Most Recently Filed Interstate Switched Access Revenue Requirement	Input	
TY 2012-2013 Baseline Adjustment Factor (BAF)		0.95
BAF X Most Recently Filed Interstate Switched Access Revenue Requirement	F7*F8	
Total TY 2012-2013 Expected Maximum Interstate Revenue	Sum of Col. H	
TY 2012-2013 Interstate Eligible Recovery	F9-F10	

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
Input	Input	Input (Note 1)	Input	Input	Input
** LOCAL SWITCHING **					
	17.2.3(C)	Local Switching	MOU	\$0.005136	\$0.005136
** INFORMATION **					
	17.2.3(C)	Information Surcharge	MOU	\$0.008693	\$0.008693
	17.2.2	800 DB Queries-Basic	MOU	\$0.002300	\$0.002300
	17.2.2	800 DB Queries-Vertical	MOU		
** TANDEM-SWITCHED TRANSPORT AND TANDEM **					
	17.2.2	Common Transport- Facility	MOU Miles	\$0.000019	\$0.000019
	17.2.2	Common Transport- Termination	MOU	\$0.000090	\$0.000090
** SIGNALING FOR TANDEM SWITCHING **					
		Tandem Switching	MOU	\$0.001953	\$0.001953
** DIRECT-TRUNKED TRANSPORT **					
	17.2.2	Dedicated Transport-Facility	DS-1	\$12.40	\$12.40
	17.2.2	Dedicated Transport-Termination	DS-1	\$61.13	\$61.13
	17.2.2	Dedicated Transport-Facility	DS-3	\$85.35	\$85.35
	17.2.2	Dedicated Transport-Termination	DS-3	\$340.46	\$340.46
** DEDICATED SIGNALING TRANSPORT **					
** ENTRANCE FACILITIES **					
	17.2.2	Entrance Facilities	DS-3	\$1,328.56	\$1,328.56
** LINE INFORMATION DATABASE **					
** BILLING NAME AND ADDRESS **					

Total TY 2012-2013 Expected Maximum Interstate Revenue (Sum of Col. H)

Note 1: Enter one rate element per line under the relevant category. Insert rows as necessary

Filing Date:	June 18, 2012
Filing Entity:	CAMDEN TELEPHONE AND TELEGRAPH COMPANY, INC
Transmittal Number:	165
COISA:	220351

Total FY 2011 Actual Revenue for Transitional Intrastate Access Service Rate Elements	Sum of Col. Q
95% of Total FY 2011 Actual Revenue for Transitional Intrastate Access Service Rate Elements	Sum of Col. P
Total TY 2012-2013 Expected Maximum Transitional Intrastate Access Service Revenue	Sum of Col. R
Total TY 2012-2013 Intrastate Eligible Recovery	Sum of Col. S

From Rate Design

From CDG + Adjustments

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
Input	Input	Input	Input (Note 1)	Input	Input	Input
			** TERMINATING END OFFICE ACCESS SERVICE **			
			<u>Terminating Carrier Common Line</u>			
17.1.1(A)	N/A		Carrier Common Line	MOU	\$0.007760	\$0.000000
			<u>Terminating Local Switching</u>			
17.2.3(A)	17.2.3(C)		Local Switching	MOU	\$0.046128	\$0.005136
			<u>Terminating Other (e.g., information surcharge, Transport or Residual Interconnection Charges)</u>			
17.2.3(B)	17.2.3(C)		Information Surcharge	MOU	\$0.014939	\$0.008693
			<u>Terminating Other Charges and Credits</u>			
			** TERMINATING TANDEM-SWITCHED TRANSPORT ACCESS SERVICE **			
			<u>Terminating Tandem Switching</u>			
17.2.2	17.2.2		Tandem Switching	MOU	\$0.001953	\$0.001953
			** ORIGINATING AND TERMINATING DEDICATED TRANSPORT ACCESS SERVICE **			
			<u>Originating and Terminating Entrance Facilities</u>			
17.2.2	17.2.2		Entrance Facilities	DS-1	\$114.53	\$114.53
			<u>Originating and Terminating Tandem-Switched Dedicated Transport</u>			
17.2.2	17.2.2		Tandem Switched Transport- Facility	MOU Miles	\$0.000019	\$0.000019
17.2.2	17.2.2		Tandem Switched Transport Termination	MOU	\$0.000090	\$0.000090
			<u>Originating and Terminating Direct-Trunked Transport</u>			
17.2.2	17.2.2		Dedicated Transport-Facility	DS-1	\$12.40	\$12.40
17.2.2	17.2.2		Dedicated Transport-Termination	DS-1	\$61.13	\$61.13
			Uncollected Access as of March 31, 2012 for FY			
Total						

Note 1: Enter one rate element per line under the relevant category. Insert rows as necessary.

Note 2: Consistent with the ICC Reformation Order, Demand was adjusted to reflect State VoIP Usage that will be Rated at the Interstate Term Rate and non-VoIP Demand is rated at State Term Rate.

Filing Date:	June 18, 2012
Filing Entity:	CAMDEN TELEPHONE AND TELEGRAPH COMPANY, INC.
Transmittal Number:	165
COSA:	220351

TY 2012-2013 Reciprocal Compensation Eligible Recovery Revenue	O20	
TY 2012-2013 Reciprocal Compensation Eligible Recovery Expense	J26	
TY 2012-2013 Net Reciprocal Compensation Eligible Recovery	E7-E8	225,144

TY 2012-2013 Reciprocal Compensation Eligible Recovery Revenue Calculations							
Reciprocal Compensation			Equivalent Interstate Access		Revised Reciprocal Compensation Rate and Eligible Recovery Calculations		
Revenue Category (Note 1)	FY 2011 Revenue	FY 2011 MOU	FY 2011 Average Rate	FY 2011 Average Rate	July 1, 2012 Average Rate	% Revenue Difference	
	Input	Input	B/C	E/F	(D-G)/2+G or D		
End Office Switching			0.015473	0.005224	0.010348	N/A	
Tandem Switching			0.000000	0.000000	0.000000	N/A	
Common Transport			0.000000	0.000000	0.000000	N/A	
Transport and Termination			0.000000	0.000000	0.000000	N/A	
Total						33.12%	

TY 2012-2013 Reciprocal Compensation Eligible Recovery Expense Calculations					
Expense Category	FY 2011 Expense	FY 2011 MOU	FY 2011 Average Rate	% Revenue Difference	TY 2012 Average Rate
	Input	Input	B/C	K20	D*(1-E)
Total Expense			0.016873	33.12%	0.011285

Note 1: Use rows 16, 17, and 18 for traffic carried pursuant to reciprocal compensation agreements that specify separate rates for end office switching, tandem switching, and common transport. Use row 19 for traffic carried pursuant to reciprocal compensation agreements that specify only a single transport and termination rate

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EXHIBIT 2

Initial ARC Rate and Direct Case ARC Rate Comparison Table

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**CAMDEN TELEPHONE & TELEGRAPH COMPANY, INC.
D/B/A TDS TELECOM**

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:

August 27, 2012
 TDS Telecom
 CAMDEN TELEPHONE AND TELEGRAPH COMPANY, INC.

ARCCTR-CAF-1
 Rate Comparison CTC
 Page 1 of 2

Study Area

Rate Ceiling Component Charges Calculation (51 915(b)(11))

RESIDENCE / NP / BRI / SLB (excluding Lifeline)

MULTI-LINE BUSINESS

220351 St Mary's

Stand-alone <u>R1 rate</u>	Mandatory <u>EAS</u>	Mandatory		State <u>SLC</u>	<u>E911</u>	<u>TRS</u>	State <u>USF</u>	Federal <u>SLC</u>	Total Rate Ceiling <u>Comp. Chgs</u>	Federal <u>SLC-MLB</u>
		Zone <u>Charges</u>	Zone <u>Charges</u>							
\$8.75	\$0.00	\$0.00	\$0.00	\$0.00	\$1.50	\$0.00	\$0.00	\$6.50	\$16.75	\$9.20

REDACTED VERSION FOR PUBLIC REVIEW

Filing Date (enter w/leading '): August 27, 2012
 Holding Company: TDS Telecom
 Filing Name: CAMDEN TELEPHONE AND TELEGRAPH COMPANY, INC

ARCCTR-CAF-2
 Rate Comparison CTC
 Page 2 of 2

Eligible Revenue - Current Yr Recovery \$ 1,179,546
 Maximum Imputed ARC Revenue [REDACTED]
 Tariffed ARC Revenue [REDACTED]
 Expected CAF ICC Support \$ 1,072,111

Eligible Revenue - Current Yr Recovery [REDACTED]
 Tariffed ARC Revenue + Expected CAF ICC Support [REDACTED]

Residential Rate Ceiling (51 915(b)(12)) \$ 30 00
 Maximum MLB SLC+ARC (51 915(e)(5)(iv)) \$ 12 20
 Max ARC for current year Res/SLB \$ 0 50
 Max ARC for current year MLB \$ 1 00

Totals



Exchange/RG

RESIDENCE / NP / BRI / SLB (excluding Lifeline)

MULTI-LINE BUSINESS

Exchange/RG	RESIDENCE / NP / BRI / SLB (excluding Lifeline)				MULTI-LINE BUSINESS			
	Residential Total Rate Ceiling Chgs	RES/NP/BRI Current Year Maximum ARC Rate	Tariffed ARC Rate	SLB Tariffed ARC Rate	MLB Federal SLC	MLB Curr Yr Maximum ARC Rate	NonCentrex Tariffed ARC Rate	Centrex Tariffed ARC Rate
St Mary's	\$ 16 75	\$ 0 50	\$ 0 50	\$ 0 50	\$ 9 20	\$ 1 00	\$ 1 00	\$ 1 00

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Mt. Vernon Telephone Company d/b/a TDS Telecom

EXHIBIT 1

- 2012 ROR ILEC Interstate Rates Worksheet
- 2012 ROR ILEC Intrastate Rates Worksheet
- 2012 ROR ILEC Rec. Comp. Worksheet

Filing Date:	June 18, 2012
Filing Entity:	MT VERNON TELEPHONE COMPANY
Transmittal Number:	165
COSA:	330917

Most Recently Filed Interstate Switched Access Revenue Requirement	Input	
TY 2012-2013 Baseline Adjustment Factor (BAF)		0.95
BAF X Most Recently Filed Interstate Switched Access Revenue Requirement	F7*F8	
Total TY 2012-2013 Expected Maximum Interstate Revenue	Sum of Col. H	
TY 2012-2013 Interstate Eligible Recovery	F9-F10	

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
Input	Input	Input (Note 1)	Input	Input	Input
		** LOCAL SWITCHING **			
	17.2.3(C)	Local Switching	MOU	\$0.005136	\$0.005136
		** INFORMATION **			
	17.2.3(C)	Information Surcharge	MOU	\$0.008693	\$0.008693
	17.2.2	800 DB Quenes-Basic	MOU	\$0.002300	
	17.2.2	800 DB Quenes-Vertical	MOU		
		** TANDEM-SWITCHED TRANSPORT AND TANDEM **			
	17.2.2	Tandem Switched Transport-Facility	MOU Miles	\$0.000019	\$0.000019
	17.2.2	Tandem Switched Transport-Termination	MOU	\$0.000090	\$0.000090
		** SIGNALING FOR TANDEM SWITCHING **			
		** DIRECT-TRUNKED TRANSPORT **			
	17.2.2	Dedicated Transport-Facility	DS-1	\$ 12.40	12.4
	17.2.2	Dedicated Transport-Termination	DS-1	\$ 61.13	61.13
		** DEDICATED SIGNALING TRANSPORT **			
		** ENTRANCE FACILITIES **			
	17.2.2	Entrance Facilities	DS-1	\$ 114.53	114.53
		** LINE INFORMATION DATABASE **			
		** BILLING NAME AND ADDRESS **			

Total TY 2012-2013 Expected Maximum Interstate Revenue (Sum of Col. H)

Note 1: Enter one rate element per line under the relevant category. Insert rows as necessary

Filing Date: June 18, 2012
 Filing Entity: MT VERNON TELEPHONE COMPANY
 Transmittal Number: 165
 COSA: 330917

Total FY 2011 Actual Revenue for Transitional Intrastate Access Service Rate Elements	Sum of Col. O
95% of Total FY 2011 Actual Revenue for Transitional Intrastate Access Service Rate Elements	Sum of Col. P
Total TY 2012-2013 Expected Maximum Transitional Intrastate Access Service Revenue	Sum of Col. R
Total TY 2012-2013 Intrastate Eligible Recovery	Sum of Col. S

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 DS-1)	12/29/2011 Intrastate Rate	12/29/2011 Interstate Rate
Input	Input	Input	Input (Note 1)	Input	Input	Input
			** TERMINATING END OFFICE ACCESS SERVICE **			
			Terminating Carrier Common Line			
17 1 1	N/A		Carrier Common Line	MOU	\$0 019200	\$0 000000
			Terminating Local Switching			
17 2 3(A)	17 2 3 (C)		Local Switching	MOU	\$0 019100	\$0 005136
			Terminating Other (e.g., information surcharge, Transport or Residual Interconnection Charges)			
17 2 3(B)	17 2 3 (C)		Information Surcharge	MOU	\$0 025100	\$0 008693
	17 2 2		Common Transport-Facility	MOU	\$0 000006	\$0 000000
	17 2 2		Common Transport-Termination	MOU	\$0 000300	\$0 000000
			** TERMINATING TANDEM-SWITCHED TRANSPORT ACCESS SERVICE **			
			Terminating Tandem-Switched Common Transport			
	17 2 2		Tandem Switched Transport Facility	MOU Miles		\$0 000019
	17 2 2		Tandem Switched Transport Termination	MOU		\$0 000090
			Terminating Tandem Switching			
	17 2 2		Tandem Switching	MOU		\$0 001953
			** ORIGINATING AND TERMINATING DEDICATED TRANSPORT ACCESS SERVICE **			
			Originating and Terminating Entrance Facilities			
	17 2 2		Entrance Facilities	DS-1		\$114.53
			Originating and Terminating Tandem-Switched Dedicated Transport			
	17 2 2		Dedicated Transport-Facility (DS-1)	DS-1		\$1.91
	17 2 2		Dedicated Transport-Termination (DS-1)	DS-1		
	17 2 2		Dedicated Transport-Facility (VG)	VG		\$12.40
	17 2 2		Dedicated Transport-Termination (VG)			
			Transitional Intrastate Access Revenue			
			Uncollected Access as of March 31, 2012 for FY			

Total

Note 1: Enter one rate element per line under the relevant category. Insert rows as necessary.

Note 2: Consistent with the ICC Reformation Order, Demand was adjusted to reflect State VoIP Usage that will be Rated at the Interstate Term Rate and non-VoIP Demand is rated at State Term Rate.

Note 3: Col N and Col K variance (0.28%) is caused due to slight difference in switched access MOU demand used in this FCC Filing vs. Rate Adjustment filing reviewed and concurred by the WI State PSC.

Filing Date:	June 18, 2012
Filing Entity:	MT VERNON TELEPHONE COMPANY
Transmittal Number:	165
COSA:	330917

TY 2012-2013 Reciprocal Compensation Eligible Recovery Revenue	O20	
TY 2012-2013 Reciprocal Compensation Eligible Recovery Expense	J26	
TY 2012-2013 Net Reciprocal Compensation Eligible Recovery	E7-E8	55,818

TY 2012-2013 Reciprocal Compensation Eligible Recovery Revenue Calculations							
Reciprocal Compensation			Equivalent Interstate Access		Revised Reciprocal Compensation Rate and Eligible Recovery Calculations		
Revenue Category (Note 1)	FY 2011 Revenue	FY 2011 MOU	FY 2011 Average Rate	FY 2011 Average Rate	July 1, 2012 Average Rate	% Revenue Difference	
	Input	Input	B/C	E/F	(D-G)/2+G or D		
End Office Switching			0.007310	0.005453	0.006382	N/A	
Tandem Switching			0.000000	0.000000	0.000000	N/A	
Common Transport			0.000000	0.000000	0.000000	N/A	
Transport and Termination			0.000000	0.000000	0.000000	N/A	
Total						12.70%	

TY 2012-2013 Reciprocal Compensation Eligible Recovery Expense Calculations					
Expense Category	FY 2011 Expense	FY 2011 MOU	FY 2011 Average Rate	% Revenue Difference	TY 2012 Average Rate
	Input	Input	B/C	K20	D*(1-E)
Total Expense			0.007407	12.70%	0.006466

Note 1: Use rows 16, 17, and 18 for traffic carried pursuant to reciprocal compensation agreements that specify separate rates for end office switching, tandem switching, and common transport. Use row 19 for traffic carried pursuant to reciprocal compensation agreements that specify only a single transport and termination rate

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EXHIBIT 2

Initial ARC Rate and Direct Case ARC Rate Comparison Table

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**MT. VERNON TELEPHONE COMPANY
D/B/A TDS TELECOM**

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